



GRANDMOTHER BUSINESS OWNER BREAD WINNER

ANNUAL REPORT 2016

2016 – what a year!

A MESSAGE FROM THE FOUNDER

We all know that a hand up is better than a hand out, but in practice, living that philosophy is challenging.

What I have been most proud of about Palmera is that we continue to embed this philosophy into everything we do because we believe this is the best way forward. For us, it is not just an intention. In fact, we have structured our whole organisation around it, and it is through this lens that I reflect on 2016.

1 We knew that if we were going to really have a hand up approach, we needed to invest in our model and that it had to be more than just an intention.

2016 was the second year of our Action Research Project, which delivered the Village2Markets framework. This framework is now being implemented with over 2,000 farmers and rural entrepreneurs. In 2015, we worked with about 200 farmers/entrepreneurs.

2 Being a grassroots agency, we knew it would be tough to deliver strong programs in the field, so in order to focus on our efforts, we stripped out resource-intensive fundraising events.

2016 was the first year Palmera did not run an event and over the last two years we have seen our fundraising increase by over 150%.

3 We knew that our work would require a different type of donor and that government support was an important part of that mix.

Much of 2016 was spent preparing for our Australian Government full accreditation application, which meant a huge investment in our systems and processes. It's an investment in the Palmera engine that isn't always visible, but ensures that we uphold our commitment to impact and integrity.



WE ARE A FOR PURPOSE ORGANISATION

We believe in a world where no one is left out.

What we do is support families to be economically included so they can stand on their own two feet.

How we do this is by supporting farmers and rural entrepreneurs to build thriving businesses and strengthen their basic needs, essential for families to better support themselves.

In 2016,

our community came together to impact over **950** farmers and rural entrepreneurs to help create a world where **no one is left out.**



OUR WORK

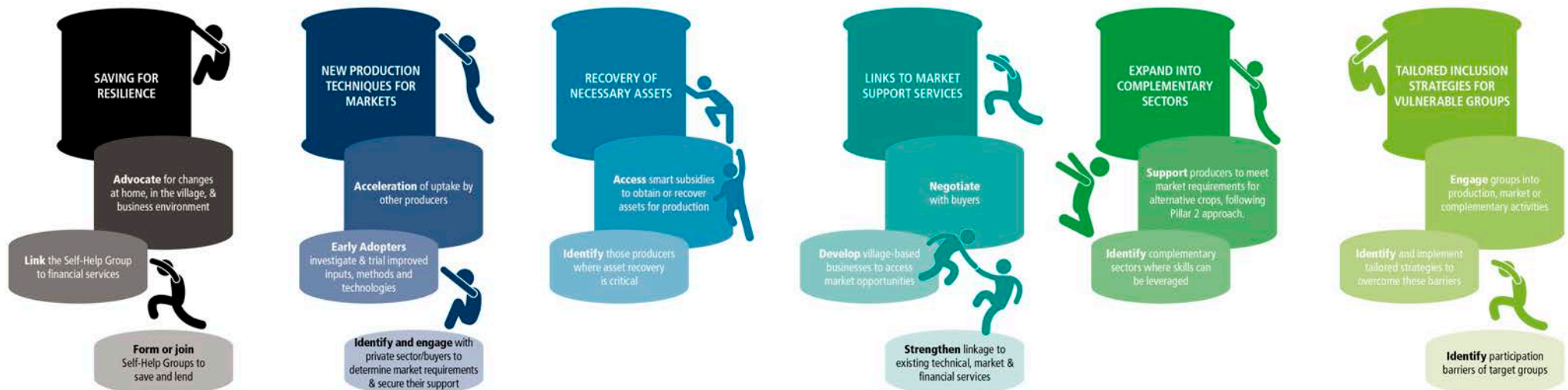
In 2016,

we launched our **Village2Markets** model in 9 villages, increasing our impact by over **600%** from 2015.

Our Village2Markets model sees us work in a village for 5 years and within each village, work with at least 80% of families to create a thriving village economy.

We do this by offering a bundle of services that cater to the specific needs of different groups and ensures no one is left out.

These services form the 6 pillars of the Village2Markets Model



This approach is underpinned by a 3-year research project funded by Transform Aid International and the English Foundation. This funding is the reason we have been able to increase our impact so significantly in 2016!

A portrait of an elderly woman, Saranya, with white hair and a bindi on her forehead. She is wearing a patterned sari. The background is a soft-focus outdoor scene.

THROUGH OUR VILLAGE2MARKETS PROGRAM, WE HAVE IMPROVED THE LIVELIHOODS OF WOMEN LIKE SARANYA.

Before the program, she was adopting traditional practices, had little knowledge of the market and was not able to get the full price for her high grade groundnuts.

But this all changed. She became an active participant in the program, followed the techniques with a 100% adoption rate and increased her yield and income by 50%.

“I now know how to do things properly and this has made such a difference. So much has changed since the end of the war with the markets and the middle man. No one told us, and we were being taken for a ride until this program came to our village.”

A CRITICAL PART OF OUR VILLAGE2MARKETS PROGRAM IS NOT JUST INCREASING INCOME, BUT ALSO WORKING WITH FAMILIES TO INCREASE THEIR SAVINGS.

In 2016, we worked with over 430 women to do just that.

In each village, we have supported the development of Village Savings banks where women can save and take loans at low interest rates to meet their families' needs.

Women like Senthini, who never had any formal savings before joining the group, have now increased their savings through the support network of her peers.

"It is hard for me to save but my savings group have helped me find ways to save just a little each week. We now buy many of our items in bulk – like rice and lentils. We then divide the cost amongst us and it is much cheaper than buying smaller packets ourselves. That little bit I can save and use it to help my family."



A close-up photograph of a handcrafted woven box, likely made of bamboo or similar natural materials. The box features a complex, interlocking woven pattern in shades of yellow and green. A rectangular label with a purple border is affixed to the top surface. The label contains handwritten text in a cursive script, including the names 'Dilen' and 'Miruna'.

Although the Village2Markets approach is our key focus, we continue to work with specific entrepreneurs outside of these village contexts where we see the opportunity for their businesses to thrive.

For example this year a womens' handicraft group whose establishment we supported, set up their workshop and began selling to the largest known retailers, both nationally and internationally.

Their wares have made it to Australia, playing a part in Dilen and Miruna's wedding in Sydney this year. The couple gave each of their guests a beautiful handcrafted box made by the womens' group as a memento of their happy day.

THIS YEAR WE WORKED WITH OVER 40 FAMILIES TO IMPROVE BASIC SHELTER REQUIREMENTS.

We understand that while in some instances, focusing purely on strengthening economic wellbeing can reduce poverty and build resilience. In other cases, basic needs must be simultaneously met to enable the achievement of this outcome.

*“In order to make lasting change in any one sphere of development,
we must improve them all” – Jeffrey Sachs, Millenium Villages*



OUR PEOPLE

A photograph of two women, Erika and Philippa, smiling and standing side-by-side. Erika is on the left, wearing a blue and white striped top. Philippa is on the right, wearing a white top and a large, chunky necklace made of dark, round beads. The background is a solid blue color.

WE CONTINUE TO EXIST BECAUSE OF THE GENEROSITY OF VOLUNTEERS.

People like Philippa, who was part of our AMP skills program and supported us with our marketing and distribution plan for HANDMADE, have dedicated their time and energy to Palmera's projects.

“Volunteering with Palmera has been an incredibly rewarding experience! I found the way Palmera operates and the impact they make with limited resourcing to be both inspiring and energising. I have been able to draw on my professional skills in publishing, communications and commercial insights to assist Palmera in testing and developing new ways to engage with corporations in the future so more people can become involved and support their work.”

– Philippa Huxley (Volunteer from the AMP Skills Fest)

Pictured above, Erika (left) and Philippa (right) who both volunteers through the AMP skills fest program

In 2016,

we were supported with **over 1,560 volunteer** hours!

**OUR BOARD
MEMBERS HAVE
ALSO PROVIDED
INCREDIBLE
SUPPORT, AND WE
ARE SO THANKFUL
FOR THEIR INPUT IN
ALL THAT WE DO.**

We were delighted to welcome
Megan Donnelley to the team in 2016.



Ram Kangatharan
CEO, Budget Direct



Rick Millen
Retired PwC Partner/
PwC Foundation
Partner



Prakash Wilson
Director/Risk
KPMG



Abarna Raj
CEO/Head of
Projects



Tammy Para
Co-founder of
Palmera/Mission
Australia



Megan Donnelley
CEO/Co-founder
Radframe



Amy Gildea
Monitoring and Evaluation
Asia Pacific Practice
Lead Coffey International
Development



OUR FUNDING

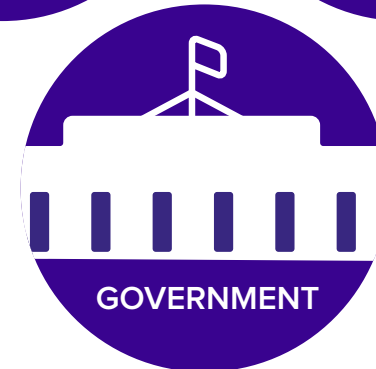
SINCE 2014 WE HAVE INCREASED OUR FUNDRAISING BY 157%

and this is largely through our diversified streams of income.

For us, running events was proving too resource intensive, so after 3 years of working towards this point, 2016 marked our first year without a fundraising campaign.

We were delighted to not only meet but exceed our fundraising goals for the year.

This was all made possible because of you, so thank you!





We had some great fundraising successes in 2016 including selling our 3000th copy of HANDMADE

We worked with great retailers like Amnesty UK, had some amazing book parties hosted by supporters, such as the one held in Melbourne...and saw HANDMADE go even further across the globe to Toronto and the United States. We also received great coverage on the front page of NPR, and were embraced by corporates like AMP!



We continued to enjoy amazing support from our ongoing givers, like Blair Baker.

“I give monthly because I believe everyone should have the same opportunities in life. Because I give, I know children can go to school, women can gain a voice and families can break free from a life of poverty.”



We continue to be supported by Do It Yourself events, such as the amazing City2Surf team who ran for the third time.

Others include the incredible music school of Ghanalayam who collected a whopping \$8,000 and the wonderful Shivani Jey who organised an inspiring yin and yang yoga class.

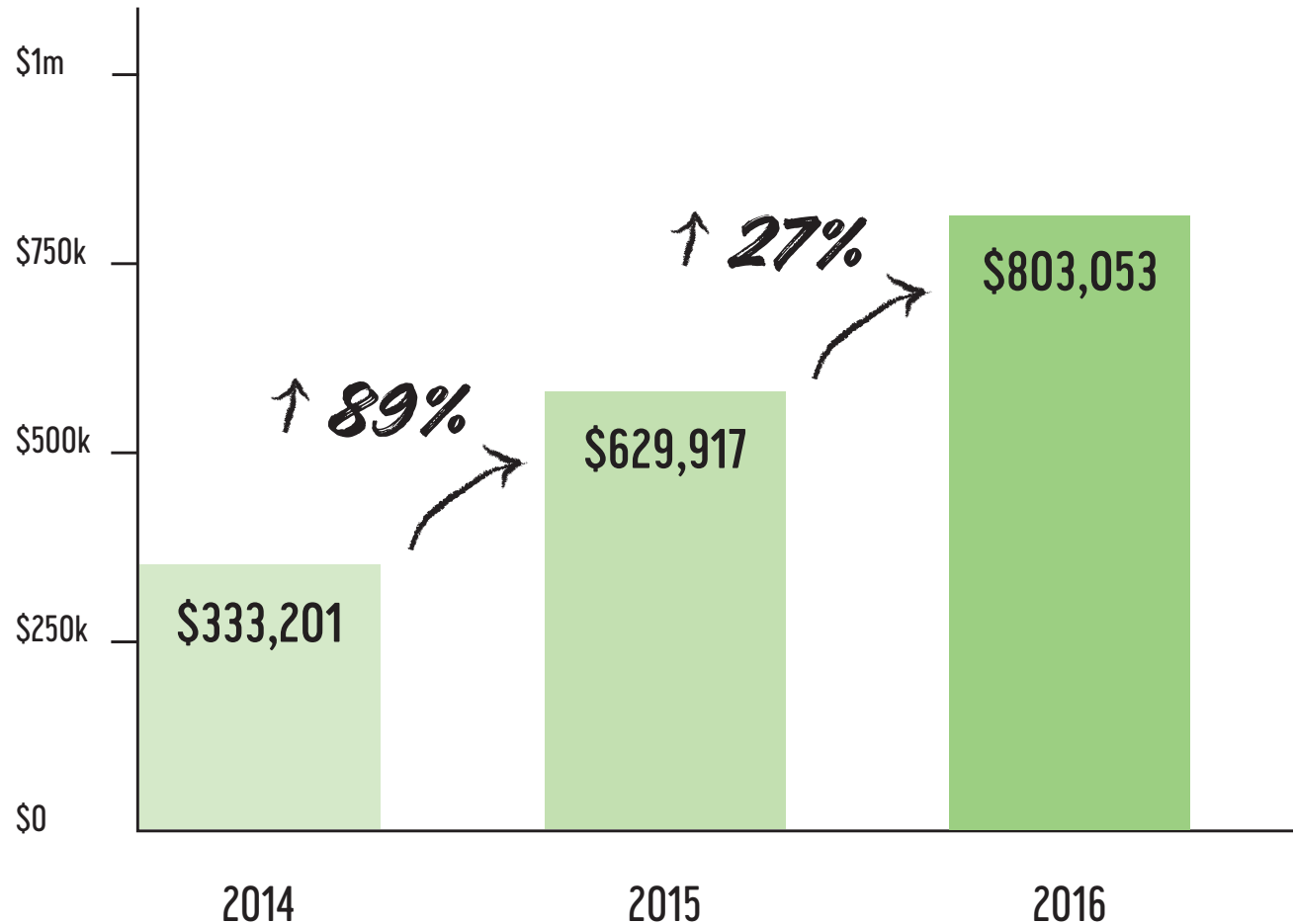


And of course, the Australian Government, who support about 25% of the work we do.

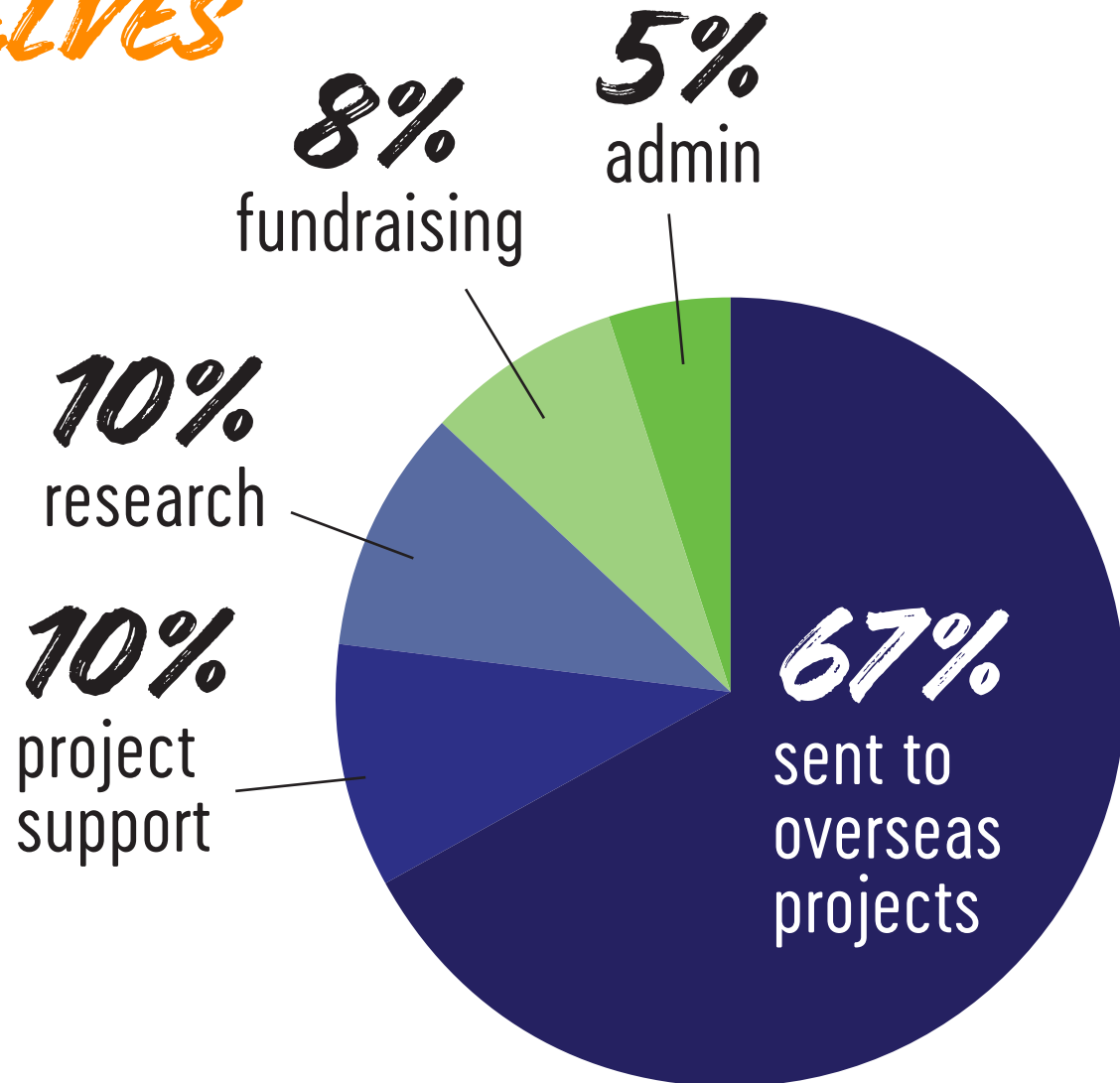


OUR FINANCIALS

**BECAUSE OF OUR AMAZING
SUPPORTERS, WE HAVE
GROWN FUNDS RAISED
YEAR ON YEAR.**



**AND AS ALWAYS
WE KEPT OURSELVES
RUNNING
EFFICIENTLY...**



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 2016. For further information on the Code please refer to the ACFID website www.acfid.asn.au

A copy of the full financial statements for the year ended 31 December 2016 is available upon request by emailing hello@palmera.org.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
Revenue		
Donations & Gifts		
> Monetary	639,411	544,360
> Non-monetary	—	—
Grants		
> Department of Foreign Affairs & Trade	162,969	84,900
Other Income	673	657
Total Income	803,053	629,917
Expenditure		
International Aid & Development Program Expenditure		
> Funds to International Programs	437,744	227,222
> Research Costs	63,922	85,264
> Program Support Costs	66,144	60,571
Fundraising Costs	52,561	69,850
Accountability & Administration	30,148	29,416
Non-monetary Expenditure	—	—
Total Expenditure	650,519	473,323
Net surplus attributable to members of the entity	152,534	157,594
Total comprehensive income attributable to members of the entity	152,534	157,594

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	2016 \$	2015 \$
Assets		
Current Assets		
Cash and Cash Equivalents	665,376	514,850
Trade & Other Receivables	1,964	1,019
Total Current Assets	667,340	515,869
Non-Current Assets		
Property, plant and equipment		
Total Non-Current Assets	—	—
Total Assets	667,340	515,869
Liabilities		
Trade and Other Payables	80,388	85,459
Provisions	4,008	—
Total Liabilities	84,396	85,459
Net Assets	582,944	430,410
Equity		
Reserve	—	—
Retained surplus	582,944	430,410
Total equity	582,944	430,410

**STATEMENT OF CHANGES IN EQUITY FOR THE
YEAR ENDED 31 DECEMBER 2016**

	Retained surplus \$	Total \$
Balance at 1 January 2015	272,816	272,816
Comprehensive income		
Surplus for the year	157,594	157,594
Other comprehensive income for the year	—	—
Balance at 31 December 2015	430,410	430,410
Balance at 1 January 2016	430,410	430,410
Comprehensive income		
Surplus for the year	152,534	152,534
Other comprehensive income for the year	—	—
Balance at 31 December 2016	582,944	582,944

**TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES
FOR YEAR ENDED 31 DECEMBER 2016**

Designated Purpose	Cash available at beginning of 2016 (\$)	Cash raised during 2016 (PALMERA)	Cash raised during 2016 (DFAT)	Cash disbursed during 2016 (\$)	Cash available at end of 2016 for future use (\$)
SLCDF – AI	—	30,000	150,000	79,171	100,829
SLCDF – Village Programs	112,615	31,000	—	130,007	13,608
Action Research	13,380	96,600	—	63,922	46,058
Total – Other Purpose	388,855	494,780	—	378,754	504,881
Total	514,850	652,380	150,000	651,854	665,376

Notes :

1. SLCDF – AI: \$150k of funds from this project was received from The Department of Foreign Affairs and Trade
2. SLCDF Village Programs include: Thervipuram B, Thervipuram A and Pollonaruwa
3. Action Research – Funds for this project were received from Transform Aid International and the English Foundation

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 2016.
- 2 The full financial statements and notes, as set out on pages 6 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 2016 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.



Director – Tamara Pararajasingham (Chair)



Director – Abarna Suthanthiraraj

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 2016, and abbreviated explanatory notes, are derived from the statutory audited full financial report of Palmera Projects for the year ended 31 December 2016. We have expressed a qualified opinion on those statutory audited financial statements on our report date 29 March 2017.

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.



Steven Zabeti
Partner
Felsers, Chartered Accountants

March 29, 2017



*OUR WAY
FORWARD*



In 2016

we launched our 5 year plan, which you can read about *HERE.*

In 2017

we are excited to move to the next phase of our strategy, which is to *OPTIMISE.*
This includes growing our Village2Markets model both in our country of focus and beyond.
We look forward to sharing our journey with you this year!

IMPACTING
100,000s
OF PEOPLE

IMPACTING
10,000s
OF PEOPLE

IMPACTING
1000s
OF PEOPLE

IMPACTING
100s
OF PEOPLE

RESPOND AND DISCOVER



INCUBATE 2015–2016



Product
development

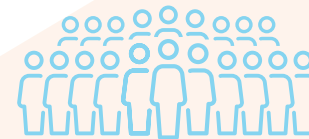


Pilot product



Scale to 9
villages and
create an
enabling
environment.
6000 – 10,000
entrepreneurs

OPTIMISE 2017–2020



20

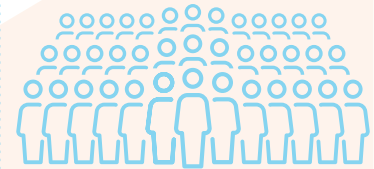


Scale to 20 villages and create
an enabling environment.
10,000 – 20,000 entrepreneurs



Scale into
1 new country

SCALE 2020–BEYOND



Grow delivery
in country
of focus



Scale into
more countries
with partners

Deep Networks

Tax Status

Incubation
Funding

Base Govt.
Accreditation

Strengthened
Systems

Full Govt.
Accreditation

Product
Toolbox

Engaged Scale
Partners

A woman with a bindi on her forehead is smiling warmly at the camera. She is wearing a patterned sari. The background is a cluttered room with various items hanging and stacked, creating a sense of a lived-in space. The entire image is overlaid with a warm, orange-toned filter.

***"AT THE END WE HAVE TO LOOK
AFTER OURSELVES, SO IT WILL BE
HARD BUT THERE IS NO OTHER WAY."***

In 2016, we supported Mayuri who, despite her husband having polio and being unable to walk, and despite the wounds she suffered after being burnt down one side of her body, had one belief: that she would not be reliant on charitable handouts. She knew that she had to have her family stand on their own two feet, and with will and determination as well as a little contribution from Palmera, was able to set up her business.

ACCOUNTABILITY & 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 write to the following address:

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.