



ONE ENTREPRENEUR  
**ONE OPPORTUNITY**  
ONE BACKER TO  
**CHANGE A GENERATION**

**ANNUAL REPORT 2023**

# REPORT FROM CEO

2023 was filled with wonderful opportunities and reflections. It began with Palmera securing full accreditation with the Department of Foreign Affairs (DFAT) with the Australian Government—a certification held by only a handful of international development agencies and reflects the very high standards that Palmera operates to. This funding gave us some space to really reflect on who we are and how we would replicate and grow our work.

Part of that journey included my family and I moving to Sri Lanka, closer to our work for a period of time. The intention of this move was to deepen our understanding of how to ensure that our work was truly being made close to the communities that we serve, with deep participatory engagement from the families we work with.

It's not easy to serve so many masters with differing agendas—local governments, private and NGO actors in country, Australian compliance requirements, and our donors. What we realised is that if impact remains at the heart of what we do, we will always be guided by the right anchor, despite the waves that at times can move us in different directions.

Abarna Suthanthiraraj



Abarna (CEO) with her children on the field meeting the families with whom we work.

# OUR WHY — NO ONE LEFT BEHIND.

WORKING WIDE ADDRESSES 80% OF THE NEED. WE EXIST FOR THE 20%.

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**For many, deep support and tailored interventions are required to be lifted out of vulnerability. This is because vulnerability is multidimensional and without this support, they will be left behind.**

For vulnerable communities, numerous barriers exist that constrain the flow of opportunities. Discriminatory systems exclude families from markets and finance, along with limited opportunities for building skills and livelihoods and a lack of access to basic services.

Shifts are needed in the wider systems, but these shifts take time. In the mean time many continue to suffer.

Standardised approaches by large institutions that are scaling to reach millions will lift many out of vulnerability. However, for many, deeper support with tailored approaches are needed.

We exist to address this gap - to find those families left behind and provide ways of working that are tailored to their context so they can defy the odds, earn a living income and give the next generation a better tomorrow.

# WHAT WE DO

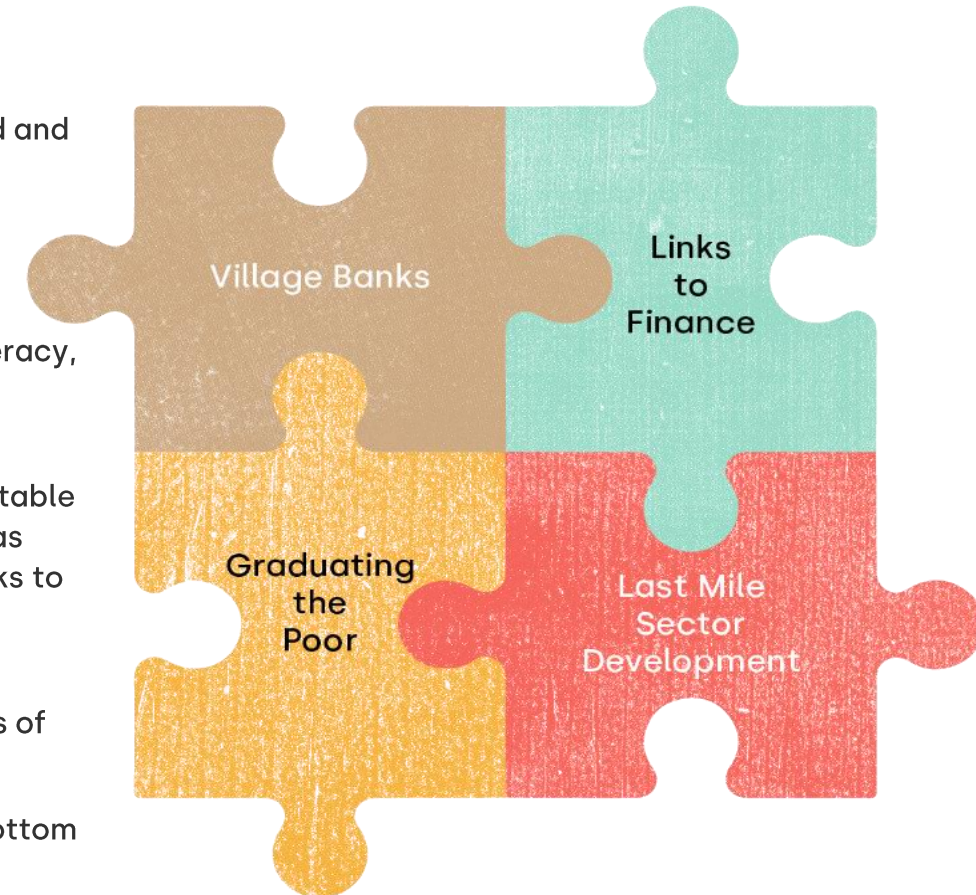
## SHIFTING THE DIAL FROM DEPENDENCE TO DIGNITY THROUGH ENTREPRENEURSHIP

### We work with left out places and communities providing a hand up through entrepreneurship so families can earn a living income

No community and no place is the same. we work through our proven models which are integrated and highly tailored based on the places and communities we work with. Our models have been tested, refined and proven in over 50 villages and numerous communities over the past 5 years.

#### We have 4 core ways of working for families to earn a living income:

- **Women Empowerment Collectives** – This provides rural women with access to financial literacy, creating platforms for savings, facilitating access to loans, and deepening their ability to profitably engage with alternative livelihoods.
- **Last Mile Sector Development** – This involves providing families that connect to larger profitable markets with training and seed capital to maximise their productivity and earning potential, as well as working with market actors to bring them into the communities and build stronger links to major profitable markets
- **Graduating the Poor** – this provides families struggling to eat with holistic 24-month food security, protection and livelihood support, giving them the chance to rebuild the foundations of their lives and be in a position to earn a living income.
- **Links to Finance** – this provides links to banks and cooperatives to create a bridge for the bottom of the pyramid to access reasonable finance and bypass predatory microfinance.



# HOW WE DO IT

**EVERY FAMILY IS UNIQUE. SO, OUR APPROACH MUST BE AS WELL.**

To reach the 20% of needs that fall through the gaps of market trickle-down approaches, government solutions, and large-scale NGO efforts, we work deeply with tailored, adaptable strategies.

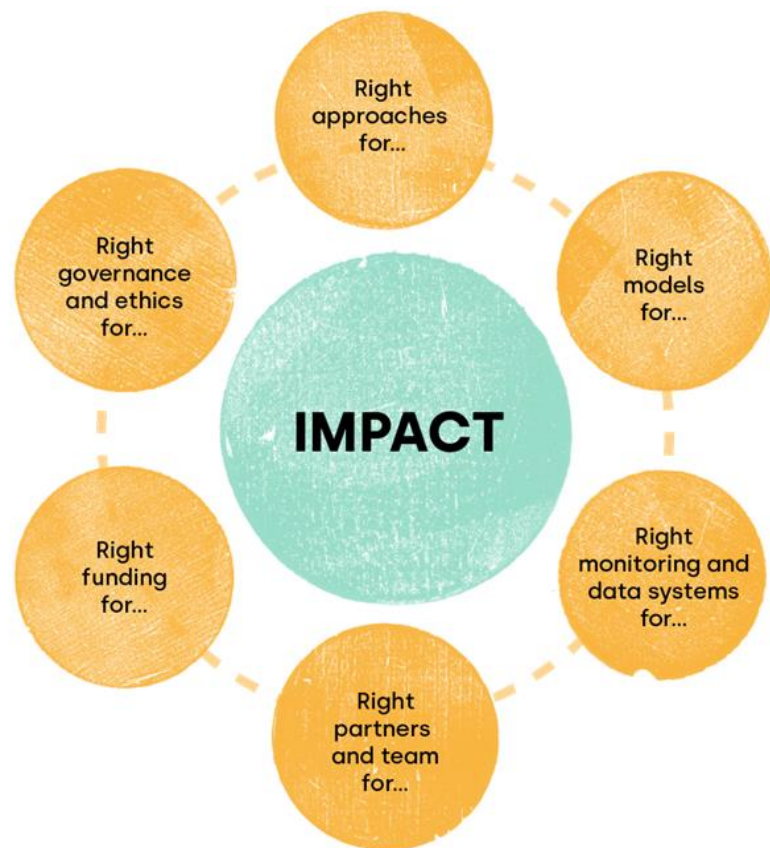
How we do this is by deeply understanding the communities with whom we work, having the time to create the change, ensuring decision making stays close to communities so we can rapidly respond to the changing context and ensuring everything we do is a hand up not a handout.

1. **Deeply understand the communities with whom we work** - our founding team is from the country we work, Sri Lanka, with many of them having fled the civil war, so when we say we understand the communities we work with, we mean it.
2. **Have the time to create the change** - we are not working to short term project cycles, but rather understand that the 20% takes time, which we have.
3. **Decision making close to communities by committed local teams** - Because of our diaspora roots, we can balance the power dynamics with traditional aid and put decision making in the hands of our committed local teams.
4. **Hand up not hand out** – Our work is focused on ensuring that families own their development, it requires deep relationships and mobilisation but critical to long term impact.



# A BUSINESS MODEL FOR THE LEFT OUT

REIMAGINING AID AND BUILDING A BUSINESS MODEL THAT DEFIES THE ODDS.



**Working deeply to create impact in one community is one thing, creating a business model that can repeatedly delivery impact with the left out, is completely another.**

There is a need to work deeply with the 20% of need. However, the NGO ecosystem is not designed for this 20%, so to work effectively in this space, we must defy the odds. Sophisticated philanthropy typically favors scale-out strategies, meaning depth organizations often receive funding from smaller donors. These donors are usually attracted to the "feel good" aspect of giving and tend to donate to family or individual projects rather than the organisation as a whole. Without robust organizational support and the branding and support systems of larger agencies, depth organizations struggle to attract the right expertise and build the necessary infrastructure to sustain a successful depth strategy.

Understanding these realities, at Palmera we have been thoughtful in developing our business model to work within the existing ecosystems and defy the odds to be an impactful depth organization. To effectively work with the 20% of need, Palmera has established itself through holistic, long-term giving streams and has carefully attracted the right expertise to reflect the development reality. We have implemented extremely strong organizational processes, leveraging technology to create efficiencies and rethinking team structures to maximize effectiveness. This approach has allowed us to invest in proven methods, staff training, capacity building, and monitoring systems to ensure the impact of our depth strategies.

# OUR IMPACT IN 2023

**10,050** FAMILIES

**42,000** PEOPLE

**135** VILLAGES

## KILLINOCHI

**54** villages

**4,500** families

**18,000** people

## DEHIGAMA

**3** villages

**250** families

**1,000** people

## MULLATHIVU

**6** villages

**1,250** families

**5,000** people

## BATTICALOA

**35** villages

**2,500** families

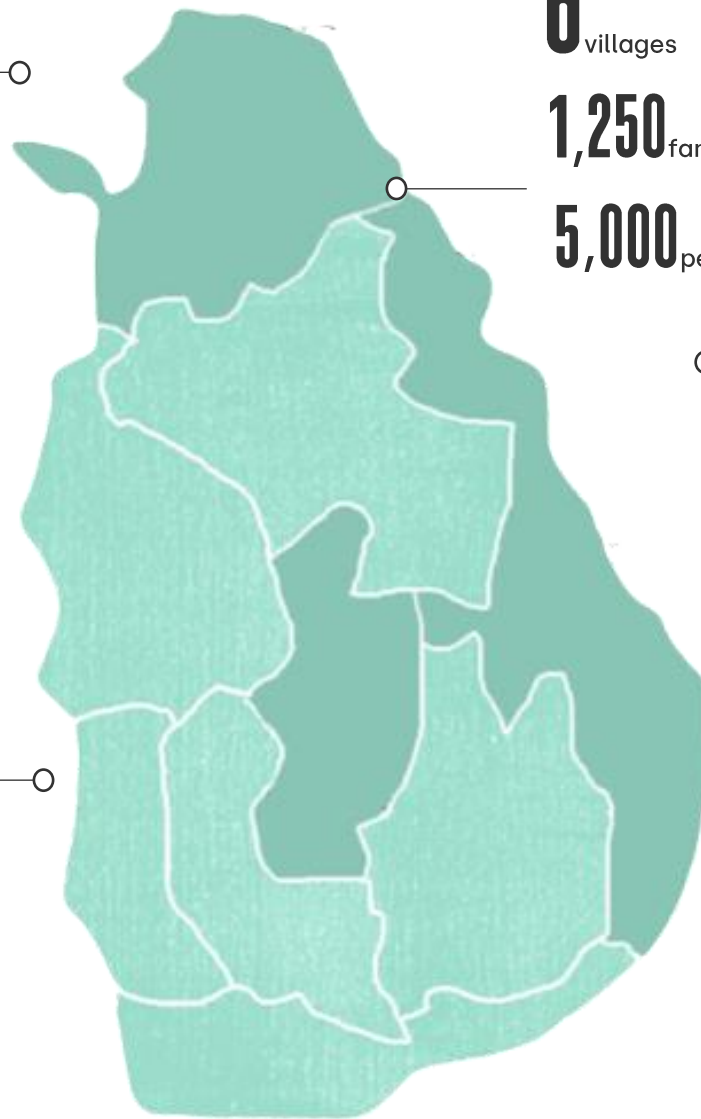
**10,000** people

## OTHER AREAS

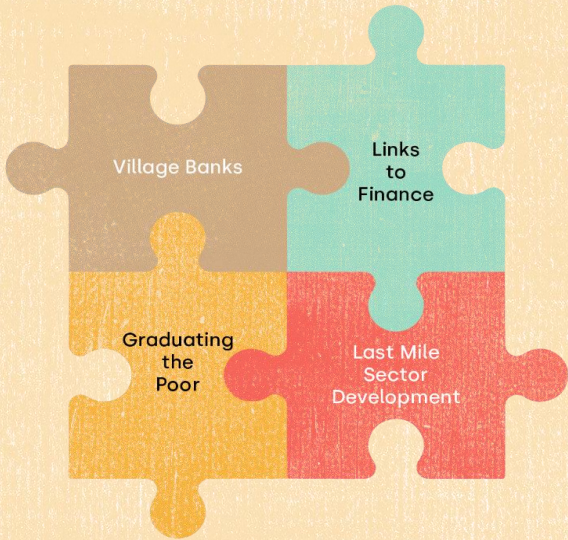
**37** villages

**2,000** families

**8,000** people



# IMPACT IN 2023 OF OUR WOMEN EMPOWERMENT COLLECTIVES APPROACH



**9,253 WOMEN**  
engaged in collectives



**81% WOMEN**  
saved regularly



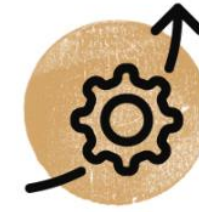
**59% WOMEN**  
accessed loans through the collectives



**\$261,000 AUD**  
Saved through empowerment collectives



**\$1,017,000 AUD**  
distributed as loans for urgent needs and starting businesses



**99% REPAYMENT RATE**  
on loans access from collectives

8

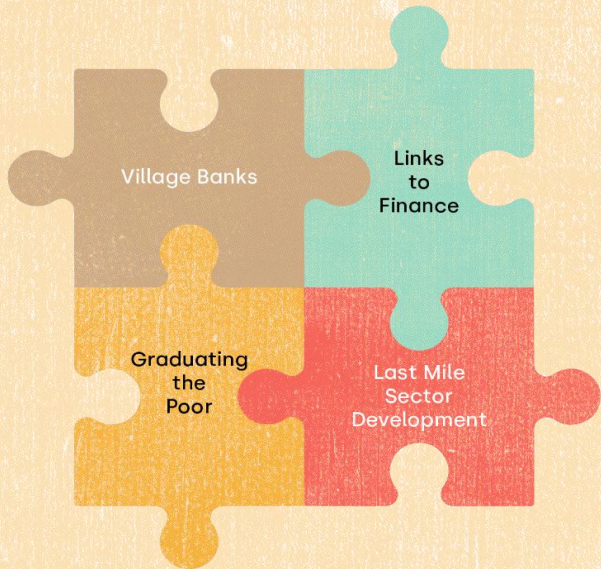


Women identifying issues that impact them and working through an action plan on how to address these issues.

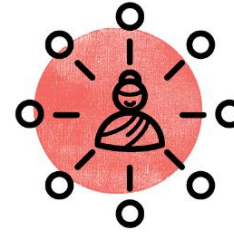
Aside from building economic empowerment, WECS build local women leaders to solve local problems.

Here women are discussing how to close down some illegal alcohol shops that have been set up in their village. These shops have brought with it increased safety concerns for women and increased domestic violence.

# IMPACT IN 2023 OF OUR LAST MILE SECTOR DEVELOPMENT APPROACH



**2,383 FARMERS**  
engaged currently in our programmes, with direct training engagement with 878 farmers in 2023



**99% INCREASE**  
in productivity through improved technologies and practices



**78% FARMERS**  
experienced an increase in productivity



**158% INCREASE**  
in income from profitable sectors



**118% INCREASE**  
in price from profitable sectors

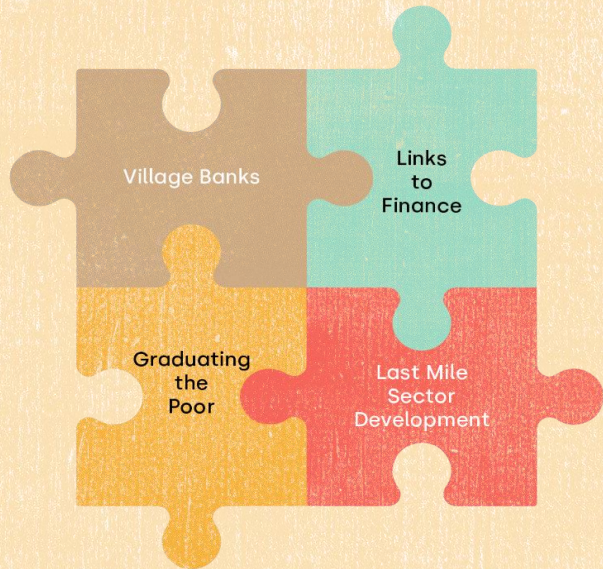


**70% INCREASE**  
In land utilisation



Farmers previously sold all their peanuts at one price due to a lack of knowledge on sorting and grading. After receiving training, they learned to grade and sort their peanuts, allowing them to get the best market prices. By bargaining collectively, they secured higher profits, which enabled them to pay laborers, store peanuts, and wait for better prices instead of selling immediately to cover costs.

# IMPACT IN 2023 OF OUR GRADUATING THE POOR APPROACH



**1,200 FAMILIES**  
engaged in our graduating the poor programmes



**100% FAMILIES**  
graduated able to meet their daily food needs



**78% FAMILIES**  
graduated



**58 FAMILIES**  
families supported with water and shelter



**25,200 LKR**  
average monthly increase in Income after the programme

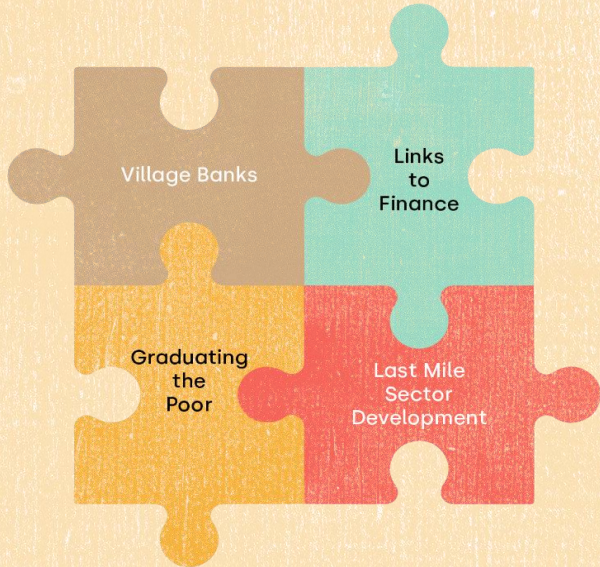


**100% FAMILIES**  
regularly attending School from graduated cohort.



Farmers previously sold all their peanuts at one price due to a lack of knowledge on sorting and grading. After receiving training, they learned to grade and sort their peanuts, allowing them to get the best market prices. By bargaining collectively, they secured higher profits, which enabled them to pay laborers, store peanuts, and wait for better prices instead of selling immediately to cover costs.

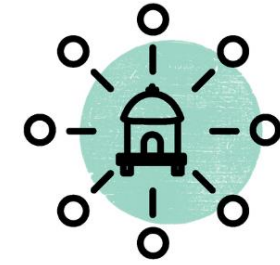
# IMPACT IN 2023 OF OUR LINKS TO FINANCE APPROACH



**200** ENTREPRENEURS  
accessed funds to grow their businesses



**1,450** FAMILIES  
accessed for food security



**2** COOPERATIVE FUNDS  
established for sustainable source of funds for the community to access



The bottom of the pyramid does not connect with mainstream banks for a range of reasons – access, literacy, power imbalances just to name a few.

Palmera's bank fund provides a bridge for first time entrepreneurs to access mainstream banks and helps them overcome the barriers they face. Once connected they can avoid the traps of informal finance and grow with mainstream banks.

*"I have never been able to access a bank loan before, I was scared about all the paperwork and whether the officers would accept me. It was my first loan that I was able to get through the Palmera bank fund and though I was nervous, they supported me through each step.*

*Now I don't have the fear of the bank – I go to the town and meet them and feel more comfortable with how to work with them. I had to learn a lot but now I have gone through that I can connect with them for the future".*

# FUNDRAISING

To do community led work, we need holistic unrestricted funding.

This is the intention of the funds we raise. To do community-led work, we need holistic, unrestricted funding. This is the intention of the funds we raise.

We engage a small village of funders who work with us largely on an ongoing basis, allowing us to make longer-term community-led commitments.

We leverage the Sri Lankan diaspora as well as the Australian public. Together, we create opportunities to change generations stuck in vulnerability.



Eastern Empire's Summer concert raised \$8,000

MEET OUR

BOARD



**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, CEO, Good Return  
PwC, UNHCR Board  
Member



**Shane Nichols**



**Dr Dinesh  
Sanmuganathan**  
CEO, My Dental Clinic



**Praveena  
Karunaharan**  
Head of Compliance  
at Snowy Hydro  
Limited.

# LESSONS LEARNT IN 2023

Every day at Pamera, we learn valuable lessons and our agile way of working ensures that we can rapidly incorporate these insights into our programs. Here are some key learnings from 2023:

## 1. Revisioning Our Local Teams

Following the Sri Lankan economic crisis, there was a mass exodus of professionals, including NGO workers, and a salary war that saw NGO salaries increase significantly due to larger agencies. We had to completely rethink our team strategy, focusing on how we grow talent and invest in the under-skilled to ensure that we maintain a great team despite these macro factors. We've utilized technology to support reporting and other requirements, which traditionally necessitate hiring a specific type of staff. By keeping impact as our anchor, we continue to innovate.

## 2. Depth is Everything

We truly began to understand our identity as a depth organization with a unique positioning in addressing the 20% of unmet needs. This required us to reflect on our teams, our work, and the culture we are fostering. This focus on depth is especially crucial in an NGO ecosystem often driven by funders' agendas for scale and short-term activity-led programming.

## 3. Keep It Simple

Vulnerability is complex, and compliance requirements are even more complex, often seeking to document every new angle that arises. However, the more we complicate our programming, the harder it is to replicate. While we maintain our depth-oriented approaches, we strive to keep our work simple and targeted to ensure quality with each replication.



# FINANCIALS



# FINANCIALS SNAP SHOT

Palmera remains in strong financial health. We are most proud of our continued commitment to ensuring that our funds raised serve those in need, driven through our commitment to reduce administrative burdens and improve our fundraising ratios through use of digital technology, increasing village based roles and a range of process improvement.

## FUNDS SPENT TO SERVE COMMUNITIES

Our funds spent for programmes ratio was 87%.

To ensure funds are spent well, not just burning funds to achieve targets, is what makes Palmera's work different.

We spend funds raised in ways intended by our donors and because of that our village of donors continue to support what we do and how we do it.

## FUNDRAISING RATIO

Our fundraising ratio was 0.95%.

We leveraged technology, digital engagement and other cost saving strategies to share deeply with our donors, without the costs. It is part of our commitment to transparency while ensuring your support reaches those in need.

Fundraising expense ratio is total fundraising expenses/total expense. The ratios have been audited and determined by the financial information that follows.

## ADMINISTRATION RATIO

Our admin ratio was 1.8%.

We spend a lot of time ensuring that we look as professional we do without the cost - it means working on weekends, leveraging volunteers and usually working twice as hard but we know our donors want as much funds to go to the field.

Accountability and Administration expense ratio is total administration expense/total expense. The ratios have been audited and determined by the financial information that follows.

## ACFID Code compliant financial statements for the year ended 31 December 2023.

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 2023.

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 2023 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 2013

	2023 (\$)	2022 (\$)
<b>REVENUE</b>		
<b>Donations &amp; Gifts</b>		
• Monetary	1,710,944	1,747,988
• Non-Monetary	18,338	15,587
<b>Grants</b>		
• Department of Foreign Affairs and Trade	446,419	226,255
<b>Other Income</b>	20,921	31,310
<b>TOTAL REVENUE</b>	<b>2,196,622</b>	<b>2,202,140</b>
<b>EXPENDITURE</b>		
International Aid & Development Program Expenditure	1,721,876	1,677,468
• Funds to International Projects		
• Program Support Costs	179,502	190,872
Fundraising Costs	18,637	45,802
Accountability & Administration Costs	34,910	45,276
Non-Monitory Cost	18,339	15,587
<b>TOTAL EXPENDITURE</b>	<b>1,973,263</b>	<b>1,975,005</b>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<b>223,359</b>	<b>46,135</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>EXCHANGE DIFFERENCES IN TRANSLATING FOREIGN-CONTROLLED ENTITY</b>	<b>(20,285)</b>	
<b>NET SURPLUS ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>	<b>203,074</b>	<b>46,135</b>

## Statement of financial position as at 31 December 2023

	2023 \$	2022 \$
<b>ASSETS</b>		
Cash and cash equivalents	1,222,055	1,350,150
Trade and other receivables	205,774	2,828
Term Deposit	826,430	
<b>Total Current Assets</b>	<b>2,254,259</b>	<b>1,352,978</b>
Plant and Equipment	5,958	
<b>TOTAL ASSETS</b>	<b>2,260,217</b>	<b>1,352,978</b>
<b>LIABILITIES</b>		
Trade and other payables	732,507	28,342
Provisions	-	-
<b>TOTAL LIABILITIES</b>	<b>732,507</b>	<b>28,342</b>
<b>Net Assets</b>	<b>1,527,710</b>	<b>1,324,636</b>
<b>EQUITY</b>		
Retained surplus	1,547,995	1,324,636
Foreign Currency translation reserve	(20,285)	
<b>TOTAL EQUITY</b>	<b>1,527,710</b>	<b>1,324,636</b>

## Statement of changes in equity for the year ended 31 December 2023

	Retained Surplus	Total
BALANCE AT 1 JANUARY 2023	1,324,636	1,324,636
Comprehensive income		
Surplus for the year	223,359	223,359
Other comprehensive income for the year	(20,285)	(20,285)
<b>BALANCE AT 31 DECEMBER 2023</b>	<b>1,527,710</b>	<b>1,527,710</b>

## ACFID Code compliant financial statements for the year ended 31 December 2023.

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## Statement of profit or loss and other comprehensive income for the year ended 31 December 2018

	2018 (\$)	2017 (\$)
<b>REVENUE</b>		
<b>Donations &amp; Gifts</b>		
• Monetary	867,171	748,252
<b>Grants</b>		
• Department of Foreign Affairs and Trade	191,392	140,533
<b>Other Income</b>	14,037	13,233
<b>TOTAL REVENUE</b>	<b>1,072,600</b>	<b>902,018</b>
<b>EXPENDITURE</b>		
International Aid & Development Program Expenditure		
• Funds to International Projects	627,701	437,566
• Research Costs	122,136	69,418
• Program Support Costs	55,684	107,629
Fundraising Costs	40,566	43,468
Accountability & Administration Costs	23,805	24,662
<b>TOTAL EXPENDITURE</b>	<b>869,892</b>	<b>682,743</b>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<b>202,708</b>	<b>219,275</b>
<b>Other comprehensive income</b>	-	-
Net surplus attributable to members of the entity	202,708	219,275
Total comprehensive income attributable to members of the entity	202,708	219,275

## Statement of financial position as at 31 December 2023

	2023 \$	2022 \$
<b>ASSETS</b>		
Cash and cash equivalents	1,118,051	855,104
Trade and other receivables	400	5,009
<b>Total Current Assets</b>	<b>1,118,051</b>	<b>860,113</b>
<b>TOTAL ASSETS</b>	<b>1,118,051</b>	<b>860,113</b>
<b>LIABILITIES</b>		
Trade and other payables	113,524	57,894
Provisions	-	-
<b>TOTAL LIABILITIES</b>	<b>113,524</b>	<b>57,894</b>
<b>Net Assets</b>	<b>1,004,927</b>	<b>802,219</b>
<b>EQUITY</b>		
Retained surplus	1,004,927	802,219
<b>TOTAL EQUITY</b>	<b>1,004,927</b>	<b>802,219</b>

## Statement of changes in equity for the year ended 31 December 2023

	Retained Surplus	Total
BALANCE AT 1 JANUARY 2022	582,944	582,944
Comprehensive income		
Surplus for the year	219,275	219,275
Other comprehensive income for the year	-	-
BALANCE AT 31 DECEMBER 2022	802,219	802,219
<b>BALANCE AT 1 JANUARY 2023</b>	<b>802,219</b>	<b>802,219</b>
Comprehensive income		
Surplus for the year	202,708	202,708
Other comprehensive income for the year	-	-
BALANCE AT 31 DECEMBER 2023	1,004,927	1,004,927

## 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 2023, and abbreviated explanatory notes, are derived from the statutory audited full financial report of Palmera Projects for the year ended 31 December 2023. We have expressed a qualified opinion on those statutory audited financial statements on our report dated 1<sup>st</sup> March 2024.

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

# OUR ENVIRONMENTAL FOOTPRINT

In our direct operations, Palmera has a very minimal footprint. However, in everyway we can we continue to identify ways to reduce our footprint further and positively contribute to environmental sustainability. The communities we work with are subject to the impact of climate change and through our work, we seek to ensure that they have the tools to best adapt to these changes.

## REDUCE

Some ways in which we reduce our footprint include:

- Reduce vehicle travel by using public transport as much as possible, including our donor trips
- Stay in village based offices rather than hotels during field visits where possible
- We are largely paperless, leveraging technology

## REUSE

Where possible we reuse this includes:

- Laptops and tablets - we partner with charities who provide us with second hand devices
- Motorbikes and bicycles - where possible we seek to identify programmes disposing of assets rather than making any new purchases. W

## ENVIRONMENTAL ASSESSMENTS

Each of our programmes undertakes an environmental assessment to ensure that our work does not create any adverse impacts to the environment.

Our core work is also focused on supporting farmers to adapt to changing impacts of the climate, this includes the introductions of new technologies and practices like waste water management.

A woman with dark hair, wearing a pink short-sleeved shirt, is holding a large, tangled fishing net. She is looking directly at the camera with a neutral expression. The background is a blurred outdoor setting with trees and foliage. The lighting is soft, suggesting an overcast day or late afternoon. The net is made of a light-colored, possibly orange or yellow, mesh material.

**THANK  
YOU**

**PALMERA.ORG**

**PALMERA**