

Dear Members and Supporters,

I am pleased to write to you with a brief update of the activities of **The Mandalay Projects Limited** ("TMPL") over the past 12 months or so. Many of you follow our progress on a regular basis via our Facebook page, so will have a good sense of what we've been up to recently. If you haven't already done so, please sign up and keep in regular contact with us.



The Mandalay Projects

We have had another busy year, both in terms of our in-country project work and our fundraising and general administrative activities. We have continued our main focus on Myanmar (Burma), but have also been pleased with the successful launch of our first school project in Laos. We are, of course, monitoring closely the moves towards democracy and a less restrictive market economy in Myanmar. These moves are likely to have some important implications for the way we conduct our activities in the country, although the challenges faced by our partner orphanages and schools are unlikely to change materially any time soon.

Projects

We have now provided support in varying forms to 12 different orphanages and schools in Asia. As you know, our focus is on improving the living conditions and life opportunities of impoverished children who are at risk of abuse. Our overarching mission is to help prevent the trafficking of children into the worst forms of child labour. To achieve this, we work with local, in-country partners to identify sustainable development projects which we believe will help to reduce the vulnerability of children, effectively

removing them from the supply chain which feeds the global child trafficking market. The past year has witnessed the maturing of some of our longer-standing projects, and we have also undertaken a series of new initiatives.

At the **Kani Boys' Orphanage** (Kani, Myanmar) we established a new computer training centre, where the resident boys are now developing technical skills in both software and hardware.

We also made an additional investment in our existing light engineering workshop at the orphanage, which is already (after just one full year since opening) creating a regular stream of employment for some of the senior boys. We have continued our policy of including poor students from the local village, as well as the residents of the orphanage, in our training programme.



The TMPL tailoring workshop at the **Pana Wady Girls' Orphanage** (Kyaiklat, Myanmar) goes from strength to strength. The quality of the sewing and embroidery work is high and the girls are continuing to generate a regular flow of customer contract work.

The self-sustainability of this type of initiative is illustrated by the fact that the cash flow from the tailoring work has been sufficient to allow the orphanage to buy some bicycles. These are now used by the older girls to travel

to college, whereas previously they had to rely on (and pay for) public transport. These may be modest gains, but such self-sustainability (i.e. the ability of the project to continue into the future without additional capital or other assistance from TMPL) is one of our key objectives in establishing our projects.



We also upgraded the security at the orphanage which, although not strictly speaking a development project per se, has undoubtedly contributed to a safer and happier environment for the children and therefore fits with our broader mission.

Our project work at the **Mingalar Parahita Orphanage** (near Twante, Myanmar) is, as noted in last year's report, largely complete, but we have been delighted in the past few months by how evident the sustainability and leveragability of our projects has become.



This is best illustrated by the fact that the water supply system we introduced there in late 2008, when there were around 250 children at the orphanage, is now providing potable water to over 1,000 resident boys and girls. Of course, we did not envisage that there would be a 4-fold increase in the

number of residents over such a short timeframe (or indeed a near 10-fold increase in the number of children from the time we first visited this orphanage in 2006), but we are pleased that our system has proved robust enough to cope with this. We are often asked why there are so many orphans in Myanmar. There are several reasons, including the death of parents at a relatively young age from disease or virus (including AIDS, which is prevalent throughout the country), and the "disappearance" of parents who have opposed the military regime. The most common factor, however, is that families are often simply too poor to look after their children, and choose to abandon them to the care of the orphanage - or worse, allow them to be trafficked for financial gain.



These children may not be orphans in the strict sense of the word, but we see them as having been orphaned by society, and they are therefore very much included in our assistance programmes. Mingalar Parahita had its 15 minutes of fame recently, when Aung San Suu Kyi paid a visit and toured the orphanage, which sits near the border with Daw Suu's constituency.

The new residents of our school and dorm at the **Deak Kum Pa Orphanage** (Luang Prabang, Laos) began arriving in the first quarter of 2012. This project has taken 35 young orphans off the streets, and will give them a safe shelter and a good education. Most of

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the children arrive at the orphanage with nothing but the clothes they are wearing, but they are provided with additional shirts, shorts, underwear and shoes by some generous local donors.



We reported earlier this year that we had undertaken our first micro-financing initiative in Burma, supporting a project to provide affordable lighting to impoverished rural communities in the Irrawaddy Delta region.

Our investment is modest, but our objectives for this project are being achieved, in particular that it is generating employment for a few young people in the area.



Competitor activities have sprung up in a number of villages and, although this may limit the success of the initiative which we're supporting, the overall net result is that an increasing number of families in the Delta now have a source of light in the evening, which can only be good. Children will be major beneficiaries of this, as they will be able to study after darkness falls, so this is very much "on mission" for TMPL.

We have now developed a detailed strategic plan for the **Dhamalinkhara Orphanage**

(Twante, Burma), current conditions at which are very reminiscent of Mingalar Parahita on our first few visits there.

As with Mingalar Parahita, the plan for Dhamalinkhara calls for a phased approach over a number of years. We are starting with an almost blank canvas, and our priorities are to ensure that the children are safe and healthy. Our first project here will be the construction of a large dormitory, replacing the current living quarters which are dilapidated and quite dangerous.



Future priority projects will include toilets and washrooms, kitchen and dining room and fresh water supply, beyond which we will start to plan our education and vocational training programmes.

We have also initiated plans to develop a library and computer training centre at the **Withakar Orphanage** (Dagon Seikkan, Burma). This orphanage is administered by a very energetic and forward-looking abbess, who has started a trafficking awareness programme among women in the local township, and who will be an excellent in-country partner for TMPL.



Other sites we have visited and where we have identified potential future project work, subject to our funding situation, include the **Pe Chuang Boys Orphanage** (in a fairly remote part of the Irrawaddy Delta region of Burma) and the **Hlet Gu School** (near Bago, Burma). In both cases, the institutions are effectively penniless and survive on donations by locals and visitors.



Supporters

Our network of members and supporters has again been very active in the past year. As always, one highlight of the year was the Quiz Night and charity auction held by our friends in Singapore. Thanks to the great work done by Mark & Fiona Barton and the team of volunteers there, a substantial sum has once again been donated to TMPL.

A number of visits to our project sites were undertaken this year, both by the Directors of TMPL and by members and supporters, several of whom were able to see for the first time our project work in action.

We are constantly impressed by the ingenuity of our supporters in their efforts to raise funds for TMPL's project work. A recent case in point has been the launch by Dr Andrew Tan, a Perth-based surgeon, of a range of cycle gear featuring The Mandalay Projects

logos. The final design will be revealed shortly - please contact Andrew if you have any interest andrew.tan@mac.com



Many thanks to all of you around the world who have made donations to TMPL in the past year. We are extremely grateful for your support.

Administration

The basic housekeeping matters of audited accounts, Annual General Meeting and the like, were all successfully completed during the year. We have again submitted an application to the Australian government for tax deductibility status for donations made to TMPL. We now await the decision of AusAID, the government department which handles all Australian overseas aid and related matters.

We have recently put together another short video presentation, which positions our project work more explicitly as being the contribution we make to the global fight against the trafficking of children.

Please take a look at:

<http://www.youtube.com/watch?v=vvxhzjreI3E>

We hope that 2013 will be a great year for you and your families.

Thanks again for all your interest and support, and best wishes from the TMPL team.

David Gibson

Co-founder & CEO

The Mandalay Projects Limited

10th December 2012