



Heaven's Family

Loving God and One Another



Haimual Jeep proposal for *Christ's Home for the Needy*

02 April 2011

Proposal number: 1

Objective and Goals

Donations can keep people poor. Without opportunities to help oneself, the reliance on a donation can be the only thing to look forward to, especially in the developing world. Our aim is to invest in people who have provided a solid, sustainable business plan, and have shown over time to be trustworthy and accountable to us with the monthly support they have been receiving.

In so doing we hope to provide the means whereby a substantial income can be earned that will lessen, and eventually replace, the dependency on monthly sponsorship. The ultimate goal being that their future needs will become self-supporting. For example, for many years we have been asked to build a dining hall and a kitchen. Although a high priority for them, it is less so for us due to the many needs of other homes that we support, so the motivation to succeed with this venture will enable them to build these themselves. The home also has a fish farm, which requires further investment to develop it, the costs of which can be met through income generated by the truck.

In the longer term as profits increase, the twenty-eight children will benefit from a better education, as they will be able to hire a tutor. They can also buy warmer clothes, eat healthier food, have access to better medical care and have the resources to provide vocational training, and further study where students show aptitude. These are but a few benefits, and space to expand this point is limited here, however we can say that any effort that we make to bless or benefit our Christian family will have a knock-on effect in the community in which they live. We do not want to make any one man, home or ministry materially rich. Ultimately, if this home becomes completely self-reliant, we will be able to divert resources to those who do not have enough (2 Cor. 8:15).

Proposal

The proposal is to purchase a new Haimual Jeep, a light truck suitable for year-round use in the mountainous region of Chin State, Burma. These jeeps are locally made to individual requirements and are fitted with a good quality diesel engine of Japanese manufacture. *Christ's Home for the Needy*, would use the jeep to collect provisions for the home and for the fish farm, reducing the costs each month for these items. The primary use however, is to make money for the home and ministry which will be their main source of income. The potential for this is great, due to the high costs of transporting goods because of the terrain and lack of suitable vehicles. The Haimual Jeep can carry different crops from out-lying villages to market, as well as transporting bricks, stone, wood and supplies between locations as required. The income estimates outlined below are conservative, however larger incomes are a distinct possibility. Income is based on twenty days work per month.

Budget Estimate

Capital Amount

No.	Item	Amount
1	Haimual Jeep	£11110
2	Licence	£1586
3	General Repair Contingency	£793
4	Administration	£692
	TOTAL	£14181

Monthly Income and Expenditure for Winter and Summer (8 months)

Income	Amount	Expenditure	Amount
Twenty days income (£40 per day)	£800	Twenty days diesel (40 gallons at £4)	£160
		Repair/Maintenance	£80
		Driver	£80
		Taxes	£40
1 MONTH TOTAL	£800	1 MONTH TOTAL	£360
8 MONTHS TOTAL	£6400	8 MONTHS TOTAL	£2880
PROFIT	£3520		

Monthly income and Expenditure for Rainy Season (4 months)

Income	Amount	Expenditure	Amount
Twenty days income (£23 per day)	£460	Twenty days diesel (30 gallons at £4)	£120
		Repair/Maintenance	£63
		Driver	£80
		Taxes	£40
1 MONTH TOTAL	£460	1 MONTH TOTAL	£303
4 MONTHS TOTAL	£1840	4 MONTHS TOTAL	£1212
PROFIT	£628		

Depreciation

In normal situations we would depreciate the vehicle to zero over a time period, say, ten years. That equates to £1111 per year. Assuming inflation of 5%, $£1111 \times 5\%$ compounded for ten years = £1666 per year, £138 per month.

In Burma, due to the high values of second-hand vehicles regardless of condition, we estimate that over a period of six years working life, the vehicle will only have lost 35% of its' value thus having a resale value of approximately £7000. In this case, in order to have funds put by to purchase a new vehicle in six years time, depreciation of £4000 equates to £666 per year. Assuming inflation of 5%, $£666 \times 5\%$ compounded for six years = £700 per year, £58 per month.

Profits

One Year Profits are £4148. Average Monthly Profit is £345.66.

Monthly profit therefore drops to £287.66 if £58.00 is set aside for replacement vehicle.

Payment Plan

A deposit of £766 will secure the order, and work on the truck will begin. The next installment of £4600 becomes due on completion. The balance of £5744 will need to be paid three months after taking delivery. This can be extended by a further two months if the £5744 was paid in two parts, i.e £3000 after three months, and £2744 two months after that. The latter option is a favourable one, as the truck will have worked for five months by that time, generating a substantial amount of income.

Summary

We have projected the monthly incomes based on research by the director of the ministry in Burma. These are judged to be conservative estimates, especially for the eight month period. The £793 shown for General Repair Contingency in Table 1 is for unexpected repairs, over and above the regular servicing and maintenance shown as expenditure in the other Tables. This would be held in reserve by *Heaven's Family*, as well as the £1586 in Table 1 for the licence. Depending on the vehicle identification number, the vehicle will be called to Mandalay at some point after purchase for inspection, where an operating licence will be issued. The repair and maintenance costs are estimated on the high side, and if not used, the profits will increase. An experienced driver will be employed, in addition to an older boy from the home working with him, with the aim of him becoming the eventual driver.

Currently *Christ's Home for the Needy* receives approximately £210 per month based on the sponsorship of fourteen of the children. Additional needs are met by our *Orphan's Tear Special Gifts Fund*, depending on donations to it.