



# Breakas Beach Resort VANUATU

## PROPERTY INVESTMENT Flow Charts as at 11th February 2007

<b>Income from Fares</b>										
All Figures are in AUD\$	retail rack rate (2007 actual)	wholesaler percentage	gross income	stay 7 pay 6	VAT	net income	custom land owners %	net room return per night	fare return p.a. (335 days)	28 fares return per annum
2007	\$250	20%	\$200	\$171	12.50%	\$152	2.00%	\$149	\$34,018	\$952,508
2008	\$259	20%	\$207	\$177	12.50%	\$158	2.00%	\$155	\$35,209	\$985,846
2009	\$268	20%	\$214	\$184	12.50%	\$163	2.00%	\$160	\$36,441	\$1,020,350
2010	\$277	20%	\$222	\$190	12.50%	\$169	2.00%	\$166	\$37,717	\$1,056,062
2011	\$287	20%	\$230	\$197	12.50%	\$175	2.00%	\$171	\$39,037	\$1,093,025
2012	\$297	20%	\$238	\$204	12.50%	\$181	2.00%	\$177	\$40,403	\$1,131,280
2013	\$307	20%	\$246	\$211	12.50%	\$187	2.00%	\$184	\$41,817	\$1,170,875
2014	\$318	20%	\$254	\$218	12.50%	\$194	2.00%	\$190	\$43,281	\$1,211,856
2015	\$329	20%	\$263	\$226	12.50%	\$201	2.00%	\$197	\$44,795	\$1,254,271
2016	\$341	20%	\$273	\$234	12.50%	\$208	2.00%	\$204	\$46,363	\$1,298,170

Increase in tariff p.a. CPI (Aust.) est.	3.50%	conservative expected occupancy	68.00%	28 fares in Management Agreement
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<b>Return on Strata Title Investment</b>										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
total income from 28 fares	952,508	985,846	1,020,350	1,056,062	1,093,025	1,131,280	\$1,170,875	\$1,211,856	\$1,254,271	\$1,298,170
number of fares	28	28	28	28	28	28	28	28	28	28
gross fare return	34,018	35,209	36,441	37,717	39,037	40,403	41,817	43,281	44,795	46,363
% of management fee	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%
management fee	19,393	20,072	20,774	21,502	22,254	23,033	23,839	24,673	25,537	26,431
investors return	\$ 14,625	\$ 15,137	\$ 15,667	\$ 16,215	\$ 16,783	\$ 17,370	\$ 17,978	\$ 18,607	\$ 19,258	\$ 19,932



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## Investment Return

based on purchase price AUD\$195,000 (figures estimated from actuals returns)

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expected Capital Value	\$ 195,000	\$ 201,825	\$ 208,889	\$ 216,200	\$ 223,767	\$ 231,599	\$ 239,705	\$ 248,094	\$ 256,778	\$ 265,765
Investor AUD return p.a.	\$ 14,625	\$ 15,137	\$ 15,667	\$ 16,215	\$ 16,783	\$ 17,370	\$ 17,978	\$ 18,607	\$ 19,258	\$ 19,932
% return to investor based on purchase price \$195,000	7.50%	7.76%	8.03%	8.32%	8.61%	8.91%	9.22%	9.54%	9.88%	10.22%
Capital Gain based on purchase price \$195,000	0.0%	3.50%	6.88%	10.15%	13.31%	16.36%	19.30%	22.15%	24.90%	27.56%
Loan Repayment based on a 50% lend @ 8.5% bank interest rate	\$ 97,500	\$ 90,381	\$ 81,243	\$ 70,400	\$ 57,564	\$ 42,819	\$ 25,499	\$ 12,236	\$ -	\$ -

The investor has the right of residence for 30 days per year, as per management agreement, the additional value has not been taken into account in the above cash flow. To make this investment hassle free, 100% Pur Fun Limited (Owner), guarantees, by way of a 10 year management agreement (with options), a nett return of 7.5% per annum return, increasing on a CPI (Aust.) basis, tax free in Vanuatu. All maintenance, body corp. fees, insurance, advertising and management covered by 100% Pur Fun Limited (in management agreement).

Bank finance available to approved purchases with 50% equity.



# Breakas Beach Resort VANUATU

## Breakas Beach Resort Return on Strata Title Fare Investment management rights to 335 days per year

<i>Expressed in AUD\$</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Breakas rack rate (2007 actual)	\$250	\$259	\$268	\$277	\$287	\$297	\$307	\$318	\$329	\$341
Accommodation allowance in leaseback agreement	30 days	30 days	30 days	30 days	30 days	30 days	30 days	30 days	30 days	30 days
Total value of 30 days accommodation allowance per annum with the CPI increases estimated from historical actuals	\$7,500	\$7,770	\$8,040	\$8,310	\$8,610	\$8,910	\$9,210	\$9,540	\$9,870	\$10,230
Return on Investment of 7.5% pa, with 3.5% CPI increases (est.)	\$14,625	\$15,137	\$15,667	\$16,215	\$16,783	\$17,370	\$17,978	\$18,607	\$19,258	\$19,932
<b>TOTAL</b>	<b>\$22,125</b>	<b>\$22,907</b>	<b>\$23,707</b>	<b>\$24,525</b>	<b>\$25,393</b>	<b>\$26,280</b>	<b>\$27,188</b>	<b>\$28,147</b>	<b>\$29,128</b>	<b>\$30,162</b>
% estimated gross return from i	11.35%	11.75%	12.20%	12.60%	13%	13.45%	13.90%	14.44%	14.95%	15.46%

## Breakas Beach Resort Return on Strata Title Fare Investment management rights to 365 days per year (on the years you decide **NOT** to utilise the 30 days of holidays)

<i>Expressed in AUD\$</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Return on Investment of 7.5% pa	\$14,625	\$15,137	\$15,667	\$16,215	\$16,783	\$17,370	\$17,978	\$18,607	\$19,258	\$19,932
Additional return from 30 days accommodation allowance not used	\$1,950	\$2,018	\$2,089	\$2,162	\$2,238	\$2,316	\$2,397	\$2,481	\$2,568	\$2,658
<b>TOTAL</b>	<b>\$16,575</b>	<b>\$17,155</b>	<b>\$17,756</b>	<b>\$18,377</b>	<b>\$19,020</b>	<b>\$19,686</b>	<b>\$20,375</b>	<b>\$21,088</b>	<b>\$21,826</b>	<b>\$22,590</b>
% estimated gross return from i	8.50%	8.80%	9.10%	9.40%	9.70%	10.10%	10.45%	10.80%	11.20%	11.60%