

PDS - attachment H

APPLICATION PRICE CALCULATION SHEET

PDS for the sale of Shares in the unnamed thoroughbred **Brown Colt**, foaled **2016**, by **MEDAGLIA D'ORO (USA)** from **LADY LYNETTE** all-inclusive to **30 JUNE 2018**

The costs of establishing the Syndicate are set out in the following table (these costs are one-off costs):

	Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Promoter – fall of the hammer	\$175,000	\$8,750
B. Promoter's margin	\$21,875	\$1,094
C. Other acquisition costs	\$35,290	\$1,765
D. Syndicate establishment costs	\$18,565	\$928
E. Actual and budgeted Horse husbandry costs to 30 June 2018	\$13,306	\$665
<b>Sub-total</b>	<b>\$264,036</b>	<b>\$13,202</b>
F. GST	\$26,404	\$1,320
G. Racing NSW Registration Fees (GST exempt)	<b>\$560</b>	<b>\$28</b>
<b>Total</b>	<b>\$291,000</b>	<b>\$14,550</b>
<b>Share Application Price – 1/20<sup>th</sup> [or 5%] Share</b>		<b>\$14,550</b>

Further breakdown of Items A, B, C and D:

		Total for Syndicate	Per Share (20)
<b>A. Initial Cost Price of Horse paid by Promoter</b>		<b>\$175,000</b>	<b>\$8,750</b>
<b>B. Promoter's margin 12.5%</b>		<b>\$21,875</b>	<b>\$1,094</b>
<b>C. Other acquisition costs</b>			
o <b>Race series eligibility payments (7)</b>			
▪ Entry to Magic Millions Race series (one-off)	\$4,500		
▪ Entry to BOBS 2 & 3YO series (one-off)	\$900		
▪ Entry to BOBS 4YO series (one-off)	\$764		
▪ Blue Diamond & Blue Sapphire 1 <sup>st</sup> nom	\$300		
▪ Golden Slipper & Golden Rose 1 <sup>st</sup> nom	\$341	<b>\$6,805</b>	<b>\$340</b>
o <b>Insurance premiums (4)</b>			
▪ Mortality from fall of hammer to 30 October 2018 for total syndication value			
▪ Emergency Surgery / Colic			
▪ Disability impairment guarantee to date of issuing and allotment of Shares			
▪ Professional Indemnity cover		<b>\$23,179</b>	<b>\$1,127</b>
o <b>Acquisition costs</b>			
▪ Veterinary work at sale complex by Dr Tim Roberts, including <b>135</b> physical inspections, <b>121</b> X-rays and endoscopic evaluation, apportioned across all yearlings purchased	\$1,895		
▪ Sales expenses incurred in attending sale apportioned across all yearlings purchased for syndication	\$1,778		
▪ Endoscopic evaluation post sale payable to Magic Millions	\$150		
▪ Blood testing post sale for Anabolic Androgenic Steroids	\$500		
▪ Miscellaneous costs, including professional photographers, pedigree ratings software fee, apportioned across all yearlings purchased for syndication	\$983	<b>\$5,306</b>	<b>\$265</b>
<b>D. Syndicate establishment costs</b>			
o <b>Establishment and promotion</b>			
▪ Proportion of postage, printing, handling & stationary (\$128), communications by telephone, facsimile, email, SMS (\$325), marketing & promotion, banking, merchant	\$11,865		

service/eftpos fees, (\$825), IT service provider, veterinary report for PDS, (\$195), advertising across TV, radio & websites, including TVN, Sky Sports Radio, Bloodstock.com, Racenet etc. (\$9,500), ASIC Form 88 PDS in-use notice (\$35)			
o <b>Accounting and legal</b>			
▪ Proportion of auditor's fee (\$3,500), chartered accountants fee (\$1,200), legal fees (\$2,000)	\$6,700		
<b>Total</b>		<b>\$18,565</b>	<b>\$928</b>
<b>E. Actual and budgeted Horse husbandry costs to 30 June 2018</b>			
o <b>From 10 January to 30 June 2018</b>			
▪ Transport <b>10 January</b> from sale complex to Oakridge Spelling Farm	\$680		
▪ Agistment from date of arrival at Oakridge to <b>28 February</b>	\$1,876		
▪ Transport <b>1 March</b> from Oakridge to educators to commence breaking-in process	\$180		
▪ Education process over 6 weeks including stabling	\$3,575		
▪ Transport <b>14 April</b> from educators to Wild Oaks Pre-Training Stables	\$210		
▪ Pre-Training 15 days orientation to stables	\$1,255		
▪ Transport <b>30 April</b> from Pre-Trainers to Oakridge Spelling Farm	\$150		
▪ Miscellaneous additional costs including farrier feet trim and shoes, dentist, parasite drench	\$515		
▪ Agistment from <b>1 May to 31 May</b>	\$1,442		
▪ Transport <b>1 June</b> to Pre-Trainers	\$150		
▪ Pre-Training from <b>1 June to 30 June</b>	\$2,580		
▪ Miscellaneous additional costs including farrier feet trim and shoes, dentist, parasite drench	\$693	<b>\$13,306</b>	<b>\$665</b>
<b>Total</b>		<b>\$264,036</b>	<b>\$13,202</b>