

SCHEDULE – (1)

**5% INDIVIDUAL SHARE PRICE
CALCULATION SHEET**

HOW THE 5% SHARE PRICE WAS DETERMINED

I AM INVINCIBLE / SPECIAL MENTION - Bay Filly 14/9/2013 – Lot 887

(A) Actual Cost - FALL OF HAMMER Price	\$ 6,250.00
(B) Dynamic Syndications Profit Margin in Share Price	\$ 781.25
(C) Costs Incurred in Acquisition of Horse	\$ 1,340.60
(D) Actual & Budgeted Forward Horse Husbandry Costs	\$ 504.15
(E) Syndicate Establishment, Promotion, Accounting & Legal	\$ 916.75
	\$ 9,792.75 +
(F) GST	\$ 979.25
	\$10,772.00 +
(G) Racing Authority Registration Fees (GST Exempt)	\$ 28.00
<u>TOTAL SYNDICATION VALUE</u> (including GST to 30/4/15)	<u>\$10,800.00</u>

(A) **PURCHASE PRICE IN SALE RING**
= \$6,250 + GST

Purchase Price: \$6,250.00 + GST
Fall of Hammer Price in Sale Ring (+ GST)

(B) **DYNAMIC SYNDICATIONS PROFIT MARGIN**
= \$781.25 + GST

12.5% on the Fall of Hammer Sale Price = \$6,250 x 12.5% \$781.25 + GST

(C) **VARIOUS COSTS AT ACQUISITION**
= \$1,340.60 + GST

Statutory Veterinary Report Required for Lodgement with PDS \$9.75 + GST

Statutory Lodgement of an ASIC - PDS in-use Form 88 \$1.75 + GST

Insurance – 4 x Premiums & Stamp Duty: **\$751.30 + GST**

- (1) - Mortality cover from “Fall of Hammer” to 1/11/2015 on \$216,000 syndicated value
- (2) - Separate Insurance Cover - For risk against Colic Surgery
- (3) - Disability or Impairment Guarantee - Fall Of Hammer Price to Date of Registration
- (4) - Statutory Cover - Professional Indemnity
- (5) - Statutory Stamp Duty - On all four Policies

5 x Race Series Eligibility Payments: **\$340.25 + GST**

- * Entry Fee - Magic Millions Race Series – Once only payment = \$225.00
- * Entry Fee - BOBS 2-3YO Series – Once only payment = \$45.00
- * Entry Fee - BOBS Extra Series - 4YO + horses – Once only payment = \$38.20
- * Eligibility Fee - Golden Slipper & Golden Rose – First payment = \$17.05
- * Eligibility Fee - Blue Diamond & Blue Sapphire – First payment = \$15.00

Acquisition Costs: (Magic Millions Sale 2015) **\$237.55 + GST**

- * Veterinary work conducted at saleyard by contracted veterinarian Dr. John Walker in Selection Process included: 103 Physical Veterinary Inspections, 91 X-Ray Inspections and 14 Fit For Syndication Reports divided pro-rata across all yearlings purchased at this sale for syndication = \$44.75
- * Endoscopic Evaluation post sale on this specific yearling - payable to Magic Millions = \$7.50
- * New - Blood Testing post sale to detect for Anabolic Androgenic Steroids on this specific yearling - payable to Magic Millions = \$25.00
- * Sales Expenses (12 Days x 4 Staff) incurred in attending sale i.e. 4 x Air Fares, Transport, Accommodation, Phone, Internet / Wi-Fi, General Living Expenses, Client Liaison, etc., divided pro rata by the number of yearlings purchased for syndication at this sale = \$88.90
- * Consultancy Fee to Independent Bloodstock Consultant Gary Mudgway for assistance with individual inspections of 278 yearlings from the sale to determine final 91 lots to submit to the veterinarian and re-inspection of these lots divided pro rata across yearlings purchased for syndications = \$22.25
- * Miscellaneous Costs = Professional Photographers, Professional Video Services Footage for each lot purchased at Auction Sale, Pedigree Ratings Software Fee, divided pro rata across all yearlings purchased for syndication = \$49.15

(D) HORSE HUSBANDRY ACCOUNTS BUDGET TO 30/04/15
= \$504.15 + GST

Planning and Progression for our yearling from 11/1/15 to 30/4/15

Transport on 11/1/15 from Magic Millions Sales Complex to Oakridge Spelling Farm NSW = \$34.00

Agistment from Date of Arrival at Oakridge to 31 January – 20 days = \$32.75

Transport to educators to commence breaking-in process at Randwick = \$9.00

Education (Breaking-in) process over 28 days (4 weeks) including stabling = \$178.75

Transport 2 March to Gai Waterhouse’s “Tempest Morn” Stables = \$5.50

14 days education in racing stables at Gai’s Randwick Racecourse Stables @ \$7.43 = \$103.95

Miscellaneous additional costs at Randwick Racecourse include: Track Fees, Farrier Feet Trim and Shoes, Dentist, Parasite Drench = \$28.60

16 March Transport return to Oakridge Spelling Farm = \$9.00

16 days Agistment to 31 March at Oakridge Spelling Farm = \$28.80

April Agistment at Oakridge Spelling Farm 30 days = \$54.00

Miscellaneous charges at Oakridge Spelling Farm in April include: Farrier Feet Trim, Dentist, Parasite Drench = \$19.80

(E) BUDGETED SYNDICATE ESTABLISHMENT & PROMOTION

= \$916.75 + GST

Statutory ASIC Auditing; Accounting & Legal Fees = \$335.00

Auditors Fee: (Pro Rata) \$175.00, Chartered Accountants Fee (Pro Rata): \$60.00 Legal Fees (Pro Rata): Macquarie Legal Practice \$100.00.

Establishment & Promotion = \$581.75

Postage, Printing, Handling, Stationary = \$6.40, Communications via Telephone, Fax, Email, SMS (Pro Rata) = \$16.25, Marketing & Promotional, Banking, Merchant Service / Eftpos Fees (Pro Rata) = \$41.25, IT Service Provider (Pro Rata) = \$42.85, Advertising = \$475.00 (Pro Rata expenses across all yearlings for Syndication in 2015: TV – Radio – Websites: TVN – Sky Channel - Sky Sports Radio – Bloodstock.com & other websites).

All prices above have been recorded as GST exclusive

(F) GST: (10 % Goods & Services Tax) **\$ 979.25**

SUB-TOTAL OF COSTS **\$10,772 +**

(G) RACING AUTHORITY STATUTORY FEES (GST Exempt) **\$ 28**

Racehorse Registration Fee \$110, PDS Application Fee \$200,
Racing Syndicate Registration Fee \$250

TOTAL PRICE TO: 30/04/15 **\$10,800**

5% Shares @ \$10,800 (including GST) per share