

SHARE PRICE CALCULATION SHEET

PDS for the sale of Shares in the unnamed thoroughbred **Bay or Brown Colt, foaled 2015,**
by **LONHRO** from **IMANANABAA** inclusive to **31 JULY 2017**

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	\$75,000	\$3,750
B. Promoter's profit margin on this promotion	\$9,375	\$468
C. Other acquisition costs	\$20,994	\$1,050
D. Syndicate establishment costs	\$18,565	\$929
E. Actual and budgeted Horse husbandry costs to 31 JULY 2017	\$14,648	\$732
Sub-total	\$138,582	\$6,929
F. GST	\$13,858	\$693
G. Racing NSW Registration Fees (GST exempt)	\$560	\$28
Total	\$153,000	\$7,650
Share Application Price – 1/20th [or 5%] Share		\$7,650

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

		Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Promoter		\$75,000	\$3,750
B. Promoter's margin		\$9,375	\$468
C. Other acquisition costs			
o Race series eligibility payments (7)			
▪ Entry to \$5m Inglis Race series (one-off)	\$2,000		
▪ BOBS 2-3yo Series (one-off)	\$900		
▪ BOBS Extra 4yo + Series (one-off)	\$764		
▪ Blue Diamond & Blue Sapphire 1 st nom (i.e. both races)	\$300		
▪ Golden Slipper & Golden Rose 1 st nom (i.e. both races)	\$341	\$4,305	\$215
o Insurance Premiums (4 Policies)			
▪ Mortality from fall of hammer to 13th February 2017 to 31st October 2017 for total syndication value			
▪ Emergency Surgery – e.g. Colic, etc.			
▪ Disability impairment guarantee to date of issuing and allotment of Shares			
▪ Professional Indemnity cover		\$11,954	\$598
o Acquisition costs			
▪ Veterinary work at sale complex by Dr. John Walker, including 38 physical inspections and 10 X-ray's, endoscopic evaluation on purchased lot apportioned across yearlings purchased at sale for syndication	\$1,795		
▪ Endoscopic evaluation post sale payable to William Inglis	\$150		
▪ Blood testing post sale for Anabolic Androgenic Steroids	\$500		

▪ Sales expenses incurred in attending sale apportioned across all yearlings purchased for syndication	\$862		
▪ Consultancy Fee to Independent Bloodstock Agent for assistance with individual inspections of 63 yearlings to determine final 38 lots to submit for veterinary inspection pro-rata across number of yearlings purchased for syndication	\$445		
▪ Miscellaneous costs, including professional photographers, pedigree ratings software fee, apportioned across all yearlings purchased for syndication	\$983	\$4,735	\$237
D. Syndicate establishment costs			
○ Establishment and promotion			
▪ Proportion of postage, printing, handling & stationary \$128, communications by telephone, facsimile, email, SMS \$325, marketing & promotion, banking, merchant service/eftpos fees, \$825, IT service provider \$857, advertising across TV, radio & websites, including, Sky Sports Radio, Bloodstock.com, Racenet etc. \$9,500, Veterinary report for PDS, \$195, ASIC Form 88 PDS in-use notice \$35	\$11,865	\$11,865	\$594
○ Accounting and legal			
▪ Proportion of auditors fee (\$3,500), chartered accountants fee (\$1,200), legal fees (\$2,000)	\$6,700	\$6,700	\$335
E. Actual and budgeted Horse husbandry costs to: 31 JULY 2017			
○ From 13th February to 30 July 2017			
▪ Transport 13/2/17 from Inglis Randwick sale complex to Oakridge Spelling Farm	\$250		
▪ Agistment from date of arrival at Oakridge to 28 February (16 days) plus 2 days in stable and Parasite Drench	\$798		
▪ Transport from Oakridge to educators to commence breaking-in process	\$180		
▪ Education process at educators stables over 5 weeks (35 days)	\$3,575		
▪ Transport to our contracted Pre-Trainer to finish education in a stables complex	\$210		
▪ 15 days orientation at Pre-Trainers Stables	\$1,155		
▪ Miscellaneous additional costs at Pre-Trainers including Track fees, farrier	\$515		

feet trim, shoes, dentist, parasite drench			
▪ Transport 14 April from educators back to Oakridge Spelling Farm	\$210		
▪ Agistment at Oakridge Spelling Farm (17 days) to 30 April	\$646		
▪ Agistment from 1 May to 31 May + Feet Trim and Drench	\$1,442		
▪ Transport 1 June Educators – Second Session	\$180		
▪ Educators - 14 day re-fresher course	\$1,160		
▪ Transport to Pre-Trainers	\$150		
▪ 16 Days in Pre-Trainers	\$1,862		
▪ Transport to Spelling Farm after Pre-training 30 June	\$180		
▪ Agistment at Oakridge Spelling Farm 1 July to 31 July + Feet Trim and Drench	\$1,442		
▪ Miscellaneous additional costs at Oakridge incurred between 13 February to 31 July including, farrier foot trims, shoes, dentist, parasite drenches, etc.	\$693	\$14,648	\$732
Total		\$138,582	\$6,929