

PDS - attachment H

APPLICATION PRICE CALCULATION SHEET

PDS for the sale of Shares in the unnamed thoroughbred **Grey Colt**, foaled **2017**, by **TAPIT (USA)** from **SMOKEY'S LOVE** all-inclusive to **30 JUNE 2019**

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 | \$110,000 | \$5,500 |
| B. Promoter's margin 12.5% of fall of hammer price | \$13,750 | \$688 |
| C. Other acquisition costs | \$25,689 | \$1,285 |
| D. Syndicate establishment costs | \$18,565 | \$928 |
| E. Actual and budgeted Horse husbandry costs to 30 June 2019 | \$13,306 | \$665 |
| Sub-total | \$181,310 | \$9,066 |
| F. GST | \$18,130 | \$906 |
| G. Racing NSW Registration Fees (GST exempt) | \$560 | \$28 |
| Total | \$200,000 | \$10,000 |
| Share Application Price – 1/20th [or 5%] Share | | \$10,000 |

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

| | | Total for Syndicate | Per Share (20) |
|---|----------|---------------------|----------------|
| A. Initial Cost Price of Horse paid by Promoter | | \$110,000 | \$5,500 |
| B. Promoter's margin 12.5% | | \$13,750 | \$688 |
| C. Other acquisition costs | | | |
| o Race series eligibility payments (7) | | | |
| ▪ Entry to Magic Millions Race series (one-off) | \$4,500 | | |
| ▪ Blue Diamond & Blue Sapphire 1 st nom | \$300 | | |
| ▪ Golden Slipper & Golden Rose 1 st nom | \$341 | \$5,141 | \$257 |
| o Insurance premiums (4) | | | |
| ▪ Mortality from fall of hammer to 30 October 2019 for total syndication value + | | | |
| ▪ Emergency Surgery / Colic + | | | |
| ▪ Disability impairment guarantee to date of issuing and allotment of Shares + | | | |
| ▪ Professional Indemnity cover: | | \$15,242 | \$763 |
| o Acquisition costs | | | |
| ▪ Veterinary work at sale complex by Dr Tim Roberts, including 145 physical inspections, 107 X-rays and endoscopic evaluation, apportioned across all 10 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 | \$5,306 | \$265 |
| D. Syndicate establishment costs | | | |
| o 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, veterinary report for PDS, (\$195), | \$11,865 | | |

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|---|---------|------------------|----------------|
| 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 Accounting and legal | | | |
| ▪ Pro-rata of auditor's fee (\$3,500), chartered accountants fee (\$1,200), legal fees (\$2,000) | \$6,700 | | |
| Total | | \$18,565 | \$928 |
| E. Actual and budgeted Horse husbandry costs to 30 June 2019 | | | |
| o From 12 January to 30 June 2019 | | | |
| ▪ Transport 12 January from sale complex to Oakridge Spelling Farm | \$680 | | |
| ▪ Agistment from date of arrival at Oakridge to 28 February | \$1,876 | | |
| ▪ Transport 1 March from Oakridge to educators to commence breaking-in process | \$180 | | |
| ▪ Education process over 6 weeks including stabling | \$3,575 | | |
| ▪ Transport 14 April from educators to Wild Oaks Pre-Training Stables | \$210 | | |
| ▪ Pre-Training 15 days orientation to stables | \$1,255 | | |
| ▪ Transport 30 April from Pre-Trainers to Oakridge Spelling Farm | \$150 | | |
| ▪ Miscellaneous additional costs including farrier feet trim and shoes, dentist, parasite drench | \$515 | | |
| ▪ Agistment from 1 May to 31 May | \$1,442 | | |
| ▪ Transport 1 June to Pre-Trainers | \$150 | | |
| ▪ Pre-Training from 1 June to 30 June | \$2,580 | | |
| ▪ Miscellaneous additional costs including farrier feet trim and shoes, dentist, parasite drench | \$693 | \$13,306 | \$665 |
| Total | | \$181,310 | \$9,066 |