



Guide to Prize Money



HORSE RACING IRELAND
RÁSAÍOCHT CAPALL ÉIREANN

Why is prize money so important?

Prize money is an invaluable stimulus to owners and breeders which helps create vital revenues for local economies throughout the island of Ireland, leading to consistent foreign direct investment and providing a platform for sporting and industry success on a world stage. In simple terms a competitive prize money environment attracts owners from around Ireland and internationally, which in turn creates demand for horses in training and significant rural employment.

Ireland has a large number of foreign based owners who see Irish racing as the home for their investment in bloodstock. This is because of our strong structures and high quality, competitive race programme; the skills of our trainers, jockeys, stable staff and equine support services; and critically Government backed prize money levels – this is vital as racing and breeding operate in an international environment in which many other major racing nations are well funded and compete with Ireland for agile global investment.

A properly funded racing programme, underpinned by strong prize money levels, creates the platform for breeders to race their progeny which, if successful, enhances the demand and value of their stock. This in turn allows breeders to recoup their significant

expenditure through the sales rings and re-invest within the industry. In 2022, turnover at Irish sales was €2 15m, while Irish breeders achieved €538m in sales worldwide. In effect, the prize money offered for Irish racing acts as a trade stimulus for Irish-based breeders and the wider bloodstock market, producing a further significant financial contribution for our valuable rural industry.

Government's unwavering support has helped Horse Racing Ireland to build the Irish racing and breeding industry into a recognised world leader from both a sporting and business perspective. This is reflected in the 2022 research undertaken by Deloitte which demonstrated that for every €1 of Government funding allocated to the sector in 2022, the industry contributed €35 to the Irish economy in core and secondary expenditure, a very significant multiplier effect.

The stimulus provided by the prize money element of annual funding from Government is critical to the overall economic impact that the industry produces and that consistent level of return on investment for Government. More information on the Social and Economic Impact of Irish Breeding and Racing is available on our website – <https://www.hri.ie/social-and-economic-impact-report-2023/>



How is prize money funded?

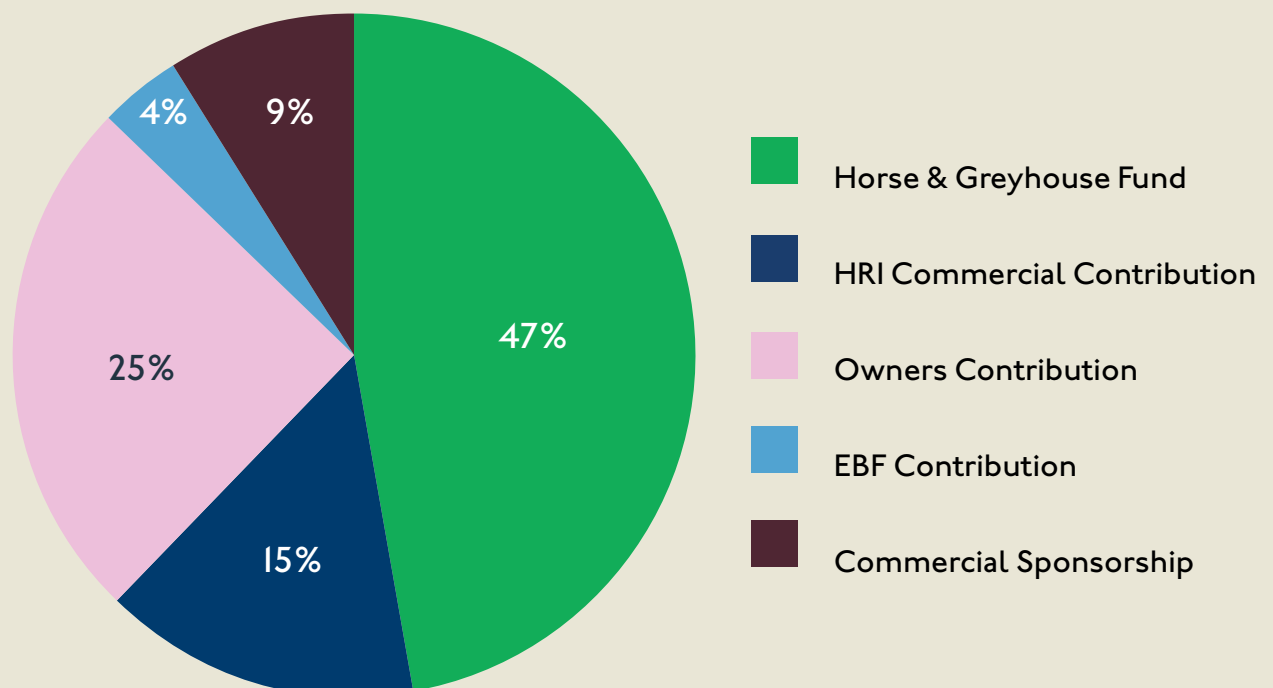
Excluding the Covid impacted years of 2020 and 2021, total prize money had been on an upward trajectory every year since 2011, reaching a record level of €67m in 2022. HRI committed €41m towards prize money in 2022, with €32m funded by the Horse and Greyhound Fund and €9m from revenue generated through HRI's commercial income and other sources.

Owners, via entry fees, represent the second biggest source of prize money contributions at €17m (representing 25% of the total) in 2022. This remains the highest percentage contribution by owners in any major racing territory, and further demonstrates the importance of owner investment to the sport.

During Covid-19 commercial prize money contributions (i.e. sponsorship) reduced to €2m in 2020 and 2021 (from historical levels of €6m), as businesses reduced spending during this uncertain period when racecourse attendance was often prohibited. Commercial prize money contributions returned to pre-pandemic levels in 2022, with sponsors being represented by the industry sectors such as bookmakers/betting exchanges, the media and stud farms.

Other notable prize money sources include the Irish European Breeding Fund (€2.6m) and contributions from Northern Ireland's devolved government for races at Down Royal and Downpatrick (€0.4m). The following chart graphically illustrates how prize money was funded in 2022 for reference.

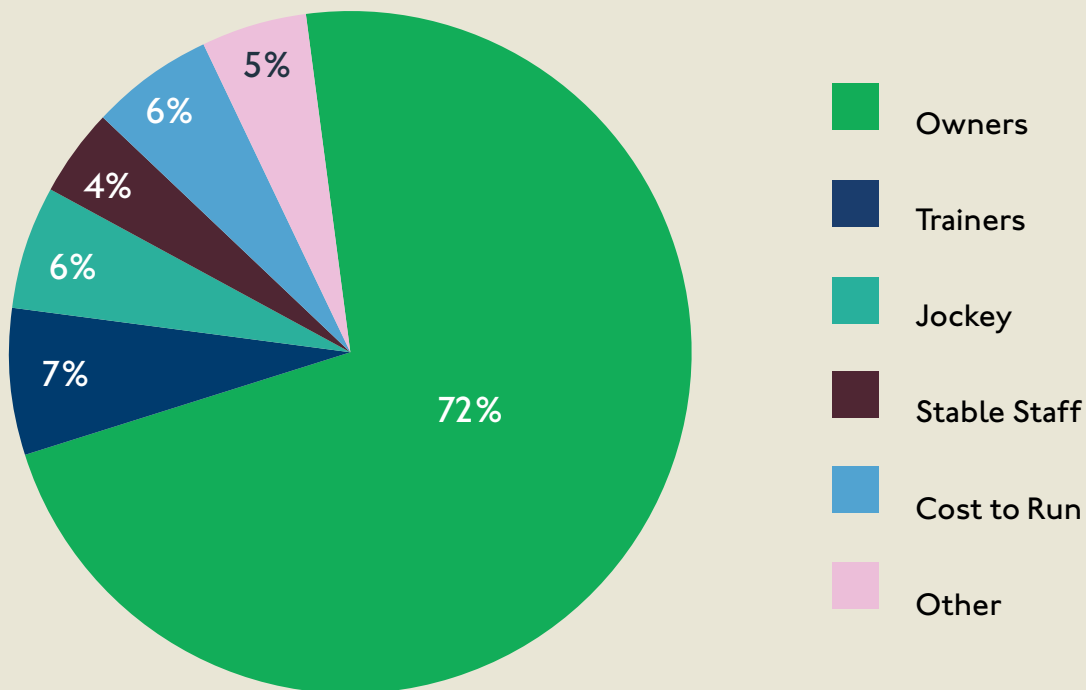
Prize Money Source 2022



How is prize money distributed?

The below tables and charts illustrate how the prize money fund was distributed in 2022:

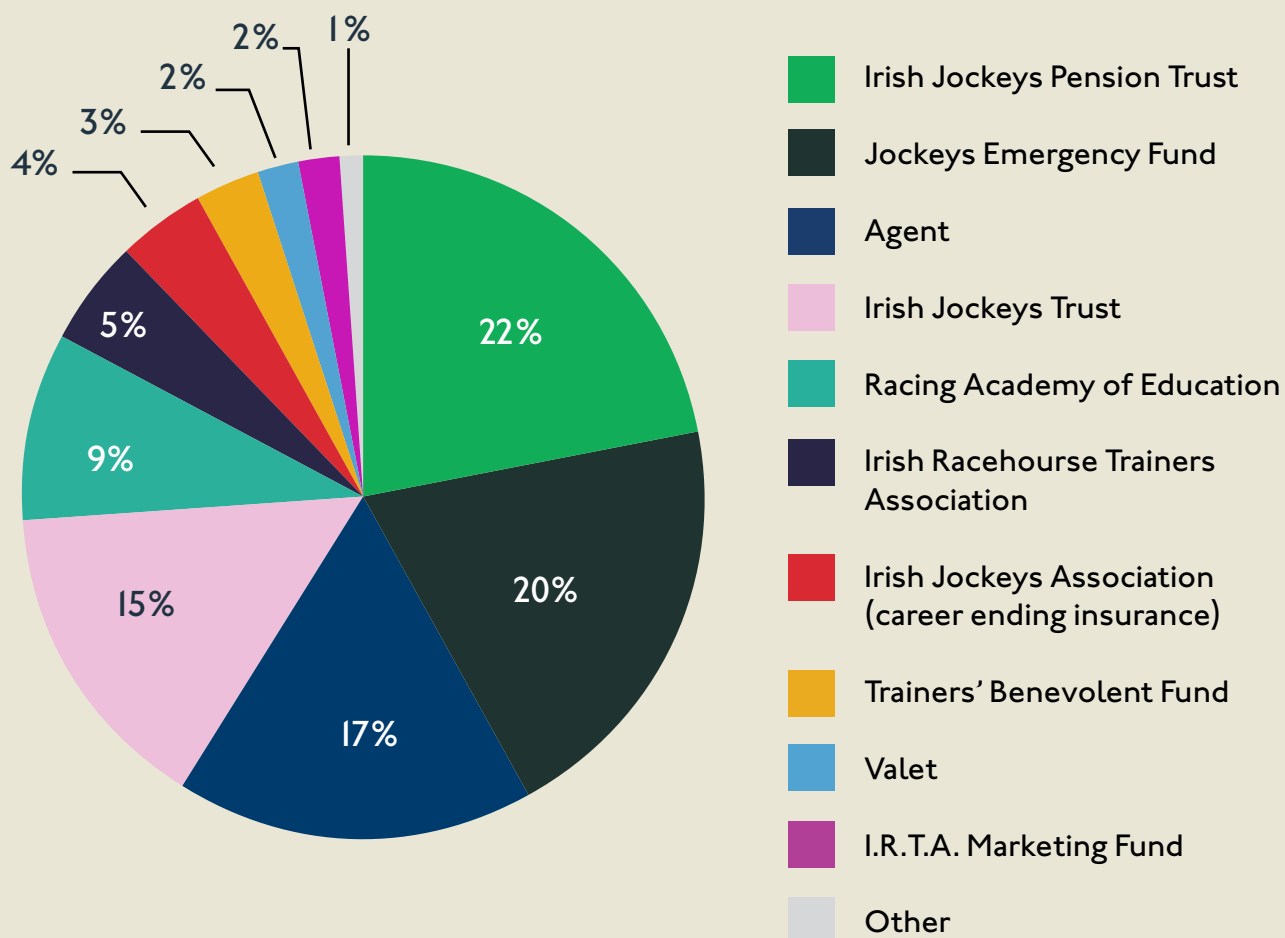
All Beneficiaries of Prize Money 2022



	€'000
Owners	€47,986
Trainers	€4,559
Jockey	€3,979
Stable Staff	€2,848
Cost to Run	€4,003
Other	€3,346
Total	€66,722

*Note: Owner's value and Cost to Run are in accordance with HRI Directive 7. Owner's gain is calculated as the Gross Prize Money less the Cost to Run. Cost to run reflects the amounts deducted from owners to participate in racing during the year.

Other Beneficiaries of Prize Money 2022



	€'000
Irish Jockeys Pension Trust	€753
Jockeys Emergency Fund	€667
Agent	€558
Irish Jockeys Trust	€518
Racing Academy of Education	€300
Irish Racehouse Trainers Association	€180
Irish Jockeys Association (career ending insurance)	€120
Trainers' Benevolent Fund	€96
Valet	€69
I.R.T.A. Marketing Fund	€60
Other	€24

Guide to Prize Money Calculations based on year ending 31.12.2022

Prizemoney Split per Directive	Note	% Applied	Sequence	Key	Race D as per spooler	Final Split	Effective %
OWNER & ASSOCIATED FUNDS							
Gross Prizemoney in the Race				A	€66,722.00	**	
Cost to Run	1			B	(€4,003.32)	€4,003.32	6.00%
Gross Gain to owner				C	€62,718.68		
Stable Employees Bonus Scheme		3.00%	of A	D	(€2,001.66)	€1,897.57	2.84%
IHRB		1.70%	of D	D1		€34.03	0.05%
Stable Staff Association		3.50%	of D	D2		€70.06	0.11%
Stable Staff Association		0.10%	of A	E	(€66.72)	€66.72	0.10%
Jockeys Emergency Fund		1.00%	of A	F	(€667.22)	€667.22	1.00%
Net gain to owner before Trainer/Jockey deductions				G	€59,983.08		89.90%
Trainers & associated funds		10.00%	of G	H	(€5,998.31)		8.99%
Jockeys & associated funds		10.00%	of G	J	(€5,998.31)		8.99%
Net gain to Owner after all deductions				K	€47,986.46	€47,986.46	71.92%
TRAINER & ASSOCIATED FUNDS							
Deducted from Owner			H	L	€5,998.31		8.99%
Stable Staff Pension		13.00%	of L	M	(€779.78)	€779.78	1.17%
Racing Academy of Education		5.00%	of L	M1	(€299.92)	€299.92	0.45%
Trainers' Benevolent Fund		1.60%	of L	M2	(€95.97)	€95.97	0.14%
Blue Cross		0.20%	of L	M3	(€12.00)	€12.00	0.02%
Irish Horse Welfare Trust		0.20%	of L	M4	(€12.00)	€12.00	0.02%
I.R.T.A. Marketing Fund		1.00%	of L	N	(€59.98)	€59.98	0.09%
Irish Racehorse Trainers Association	2	3.00%	of L	O	(€179.95)	€179.95	0.27%
Net to Trainer				P	€4,558.71	€4,558.71	6.83%
JOCKEY & ASSOCIATED FUNDS							
Deduction from Owner	3		J	Q	€5,998.31		8.99%
Irish Jockeys Association (career ending insurance)		2.0%	of Q	R	(€119.97)		
Irish Jockeys Pension Trust		2.0%	of Q	R1	(€119.97)	€119.97	0.18%
Sub total				S	€5,758.38		8.63%
Irish Jockeys Pension Trust		11.00%	of S	T	(€633.42)	€647.97	0.95%
Irish Jockeys Trust		9.00%	of S	T1	(€518.25)	€518.25	0.78%
Net to Rider				U	€4,606.70		6.90%
Valet	4	1.50%	of U	V	(€69.10)	€69.10	0.10%
Net to Rider (with Valet)				W	€4,537.60	€4,537.60	6.80%
Agent	5, 6	10.00%	of W (or U)	W1	(€453.76)	€453.76	0.68%
Agent VAT		23.00%	of W1	W2	(€104.36)	€104.36	0.16%
Net to Rider (with Agent and Valet)				X	€3,979.48	€3,979.48	5.96%
						€66,616.58	99.84%
VALET							
Deduction from Jockey			V	Y	€69.10	€69.10	0.10%
AGENT							
Deduction from Jockey			W1	Z	€453.76	€453.76	0.68%
Agent VAT			W2	AA	€104.36	€104.36	0.16%

** Total Prizemoney Value of €66,722 does not include the figure for PTP prizemoney of €1,532 which is not subject to the deductions noted above. Cumulative figure of €68,254 matches figure in the 2022 Stats.

Note 1 – Costs to Run includes Entry, Forfeit, and Declaration fees (excluding Bookage). Horses entered at second entry stage or supplementary stage are deemed to have entered at first entry stage for the purposes of calculating cost to run. Cost to run is calculated as 0.9% of Race Value for Races of a value less or equal to €20,000 and as 1.0% of Race Value for Races of a value greater than €20,000

Note 2 – Above calculations will vary where trainer is a Restricted or Foreign Licence holder.

Note 3 – In races confined to Qualified Riders, Ladies races and Bumpers, the deduction at J above will not apply.

Note 4 – The deductions at V will apply provided the rider has lodged the appropriate authorisation appointing a Jockeys' Valet with the IHRB.

Note 5 – The deductions at W1 and W2 will apply provided the rider has lodged the appropriate authorisation appointing the Agent with the IHRB.

Note 6 – The Agent deduction at W1 will be calculated as 10% of W if the rider has an appointed Jockey's Valet. If the rider does not have an appointed Jockey's Valet the calculation will be 10% of U.

Where is prize money distributed?

The annual HRI Factbook provides detailed information on where prize money is distributed annually. The most recent Factbook is available on the publications page on our website – <https://www.hri.ie/press-office/publications/> and the prize money totals by leading owners, trainers and jockeys are detailed on pages 44–49. It should be noted that the figures shown are gross figures for each win or place and as noted earlier, the average net gain after all deductions is: Owner 71.92%, Trainer 6.83%, Rider 5.96%.

In overall terms:

- 65% (3,238) of all owners were in receipt of prize money in 2022 at an average receipt of €19,400 per owner (gross) and €14,800 per owner (nett) after deductions.
- 77% (550) of all trainers won prize money in 2022 at an average receipt of €10,900 per trainer (gross) and €8,300 per trainer (nett) after deductions.
- 70% or seven out of every 10 individual runners (5,686 out of 8,144) won prize money in Ireland in 2022 which is the highest number and percentage we have ever reported in this category. The average prize money won per winning horse was €11,700 in 2022.

Progressive steps have been taken to ensure as widespread a distribution of prize money as possible with payments down to the 6th place finisher now being available in all Irish races.



Is prize money directly linked to betting duty?

No, there is no direct link between betting duty, the Horse & Greyhound Fund and prize money. Irish betting operators continue to benefit from Ireland having one of the lowest rates of betting tax (as a percentage of turnover) in the world (at 2%) despite the increase from 1% which occurred in 2019. These tax rates are significantly lower than other major racing territories, including those such as France and Japan with effective horseracing betting monopolies.

Betting duty raised a record €102m in 2022, up from €95m in 2019, the last full year when it was 1%. This figure was as low as €26m in 2014 before online betting from Irish punters was made subject to the duty by the Ireland Betting (Amendment) Act 2015.

Each year the Government determines the amount paid to racing from the Horse and Greyhound Fund. The fund provided c.€72m to the Horse Racing industry in 2022. This central funding of the Irish Breeding and Racing industry represents a key revenue stream, as the majority of prize money comes from this funding mechanism, hence it plays a key role in attracting and retaining domestic and international owners and breeders, in turn supporting thousands of jobs across Ireland.

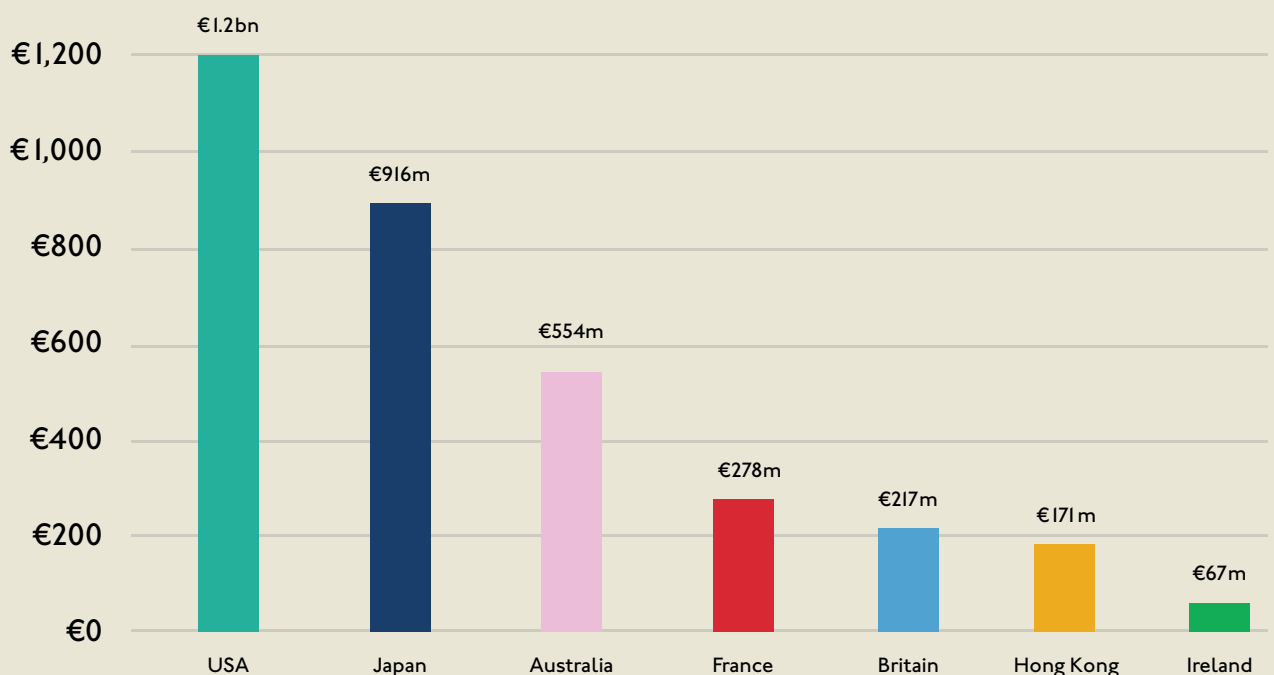


Is prize money won by owners taxable?

No. Overall, owners are estimated to have incurred average expenditure of c.€23.5k per horse in 2022. Whilst some of this expenditure is recouped through prize money (€45m from domestic racing and €1.4m from international races), which represents a return to owners of c.25% on the overall €239m spent by them in the year, owning a horse remains a passion for many, with individuals spending their post-tax disposable income (funding significant economic investment across Ireland).

Owners' returns vary significantly on the international stage, with those countries with higher levels of prize money such as Australia, France, Hong Kong and Japan able to guarantee more significant returns to their owners. Based on the above, only a small minority of owners actually profit from prize money or their investment in racing—it is a hobby, a passion, a sporting interest. Their investment is made from post-tax disposable income. The fact it is a hobby is why prize money is 'tax free' (whereas jockeys and trainers are professionals and so liable to tax on their revenue).

International Prize Money Fund Comparisons - 2022



Looking Forward

Future developments in respect of prize money remain a key area of focus in the retention of owners and breeders and in attracting both domestic and international investment, as owners and those interested in ownership are increasingly attracted to the significant sums on offer in other territories.





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