



2021

Annual Report

Tuarascáil Bhliantúil

www.hri.ie



HORSE RACING IRELAND
RÁSAÍOCHT CAPALL ÉIREANN

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MISSION STATEMENT

To develop and promote Ireland's horse racing and breeding industries, to administer and govern the sport of horse racing in Ireland, to cultivate and promote the highest standards of integrity and welfare.

In identifying its mission statement, Horse Racing Ireland (HRI) has placed emphasis on Ireland's position in both the international horse racing and breeding industries and the quality of the product being offered to the racegoing public.

The continuity of funding necessary to develop strategies to achieve the mission is the key element of the HRI Strategic Plan.

The claim to be a world centre of excellence is a realistic one and the benefits of the strategies pursued to achieve the mission will be reflected in the economic, cultural and social environment of the country.

This mission gives expression to the values and sense of purpose of the organisation.

BOARD MEMBERS & COMMITTEES OF HORSE RACING IRELAND

HORSE RACING IRELAND BOARD

Nicholas Hartery	<i>Chairperson</i>
Daragh Fitzpatrick	<i>Chair, HRI Betting Committee</i>
Ger Flynn	<i>Stable staff nominee, HRI Industry Services Committee</i>
Christy Grassick	<i>Representative of racehorse breeders</i>
Michael Halford	<i>Representative of racehorse trainers</i>
Elizabeth Headon	<i>Ministerial nominee</i>
Laurence McFerran	<i>Representative of the Racing Regulatory Body</i>
Robert Nixon	<i>Representative of the horse racing industry in Northern Ireland</i>
Carol Nolan	<i>Chair, HRI Industry Services Committee</i>
Peter Nolan	<i>Ministerial nominee</i>
Conor O'Neill	<i>Representative of authorised racecourses</i>
Meta Osborne	<i>Representative of the Racing Regulatory Body</i>
John Powell	<i>Representative of the Racing Regulatory Body</i>
Caren Walsh	<i>Representative of racehorse owners</i>

APPOINTMENTS & REMUNERATION COMMITTEE

Nicholas Hartery *Chairperson*
Con Haugh
Elizabeth Headon
Meta Osborne

FIXTURES COMMITTEE

Meta Osborne *Chairperson*
Christy Grassick
Michael Halford
Conor O'Neill
Caren Walsh

BOOKMAKERS COMMITTEE

Mary O'Connor *Chairperson*
Bernard Caldwell
Pat Brennan

FAIRYHOUSE COMMITTEE

Pat Byrne *Chairperson*
Billy Bourke
Paul Grimes
Dara Mullen
Mary Wallace

BETTING COMMITTEE

Daragh Fitzpatrick *Chairperson*
Sharon Byrne
Elizabeth Headon
Ross Kierans

FOAL LEVY COMMITTEE

Jim Beecher *Chairperson*
Roger Casey
Richard Kennedy
John McEnery
David O'Callaghan
John Osborne

AUDIT & RISK COMMITTEE

Victor Clarke *Chairperson*
Robert Nixon
Peter Nolan
Patricia O'Connor
Meta Osborne

RACEGOERS CONSULTATIVE FORUM

Paul Dermody *Chairperson*
Kara Gabbett
Tom Galway
Eugene Kelly
Mark McGrath
Steven McGuinness

ITM COMMITTEE

Dermot Cantillon *Chairperson*
Victor Connolly
Suzanne Eade
Jim McCartan
Eamon Moloney
Eimear Mulhern
David O'Loughlin
John Osborne
Richard Pugh

LEOPARDSTOWN COMMITTEE

Jim Mulqueen *Chairperson*
Tommy Breen
Paul Dermody
Suzanne Eade
Una Manning
Eimear Mulhern
Paddy Prendergast

MEDIA RIGHTS COMMITTEE

Conor O'Neill *Chairperson*
Nicholas Hartery
Michael Moloney
Robert Nixon
Meta Osborne

NAVAN COMMITTEE

Jimmy Owens *Chairperson*
Theresa Allen
William Flood
Eimear Hannon
Matt O'Connor
Pat Shiels

PROGRAMMES COMMITTEE

Meta Osborne *Chairperson*
Christy Grassick
Michael Halford
Conor O'Neill
Caren Walsh

TIPPERARY COMMITTEE

Maurice Moloney *Chairperson*
Ciaran Conroy
Matty Fogarty
Tim Hyde
John Murphy
Daniel O'Connell
John Power
Peter Roe
Michael Ryan
David Wachman

INDUSTRY SERVICES COMMITTEE

Carol Nolan *Chairperson*
Andrew Coonan
Ger Flynn
John Lane
Jennifer Walsh

Committee membership as at 13 October 2022

HRI NOMINATIONS / APPOINTMENTS

<i>Dundalk</i>	<i>Cork</i>	<i>Irish Equine Centre</i>	<i>Punchestown</i>	<i>RACE</i>
Roger Casey Joe Collins John Osborne	John Murphy	Roger Casey John Malone John Osborne	Jason Morris Dick O'Sullivan Sandy Persse Nyall Speirs	Michael Halford Michelle Lawlor Carol Nolan
<i>Curragh Racecourse Limited</i>		<i>Jockeys Accident Fund clg</i>		
Paul Dermody Suzanne Eade John Moloney		Claire Rudd		

Nominations / Appointments as at 13 October 2022

CHAIRMAN'S REPORT

The people that make up the racing and breeding industry in Ireland can be proud with the way it dealt with the pandemic. Covid-19 posed a prolonged period of difficulty and uncertainty and was met with a determined and agile response from all corners of the industry. Those working in our racing yards deserve special praise for how they responded to the extra challenges the pandemic brought.

Many others, including our own Horse Racing Ireland staff and those of the Irish Horseracing Regulatory Board, were not found wanting. A number of racecourses served their communities as Covid-19 testing and vaccination centres, and the unwavering support of a strong and dedicated ownership base also shone through.

At a time when racecourse attendance was severely restricted, there was a noteworthy rise in the numbers of horses-in-training and an increase in the numbers involved in all categories of ownership.

Racing through the Covid-19 pandemic caused many difficulties but our sport found increased airtime on terrestrial television in that period, and provided entertainment for those who found so much of their leisure activities stalled. The way in which our sport was presented, and the presence of mind from the team at HRI and our media rights partners, meant that our streaming numbers increased exponentially during those years, and allowed the industry here to be compensated in such a way that our prizemoney fund remained at a largely competitive level.

2021 will also be remembered as a year when our horses and people – both over the Jumps and on the flat – flew the flag for Ireland all over the world and ensured that Ireland continued to be considered a premier nation in world racing. Congratulations to all of those who took horses abroad for notable big race victories.

We go forward now with optimism and confidence. Progress continues to be made in relation to Horse Racing Ireland's plans to develop a second all-weather track at Tipperary. The planning process is well underway, and government support has been sought to help fund the project. This is a strategic priority for racing in Ireland and as well as complementing the all-weather track at Dundalk and providing opportunities for horses from the southern end of the country, it will also seek to provide start-up facilities for new trainers.

Horse Racing Ireland recognise the importance of an international-competitive prizemoney structure and work has begun on a programme to review prizemoney in Irish racing and how it gets to work, as well as improving the overall prizefund available to participants.

The racing and breeding industry has many natural advantages when it comes to the sustainable agriculture, and later in 2022 HRI will launch an ambitious set of targets in our sustainability strategy.

That will not just be about the environment and how our industry can play a leading role, it will also be about how we interact with the people in our industry, and the horses. The quality of care and equine husbandry that takes place every day to ensure we remain global leaders in the horse racing industry is quite incredible. It is work that is never complete and we must always keep moving forward and keep getting better.

CHAIRMAN'S REPORT (continued)

I would like to put on record our continued support for the work of the IHRB and acknowledge their continued contribution. Horse Racing Ireland increased the funding to the IHRB in 2021 and the industry benefited from an extended equine antidoping programme executed by the IHRB in 2021. The continuation of those improvements into 2022 and beyond is important: as a sport, a business and an industry there is confidence in the horse we produce and we must ensure that is always the case. The quality of the product, and the sales prices achieved in 2021 is testament to that.

In presenting these financial statements, I thank the Board of Horse Racing Ireland and those who serve on our subsidiary boards and statutory and advisory committees. Their commitment and dedication has been ably demonstrated as has that of the senior management team and all of the staff of Horse Racing Ireland.

Nicky Hartery
Chairman

CHIEF EXECUTIVE'S REPORT

While everyday life was again severely disrupted by the Covid-19 pandemic throughout 2021, the end-of-year figures pointed to a notable resilience within the horse racing and breeding industry. Both industries recorded impressive gains in a number of key areas, with figures well ahead of both 2020, when the pandemic hit hardest, and the pre-pandemic returns of 2019.

At the heart of this success was the continued support from owners, the vital ingredient in driving the industry forward. Their input is directly reflected in levels of employment across the industry which in turn leads to wider economic activity.

We can be proud that the horse racing and breeding industries are responsible for producing in excess of €2 billion in total annual expenditure and supports approximately 29,000 direct and indirect jobs. These are hugely significant figures, generating an estimated €30 in expenditure for every €1 allocated to horse racing through the Horse and Greyhound Racing Fund.

Horse Racing Ireland will build on that return to the exchequer through a number of priorities outlined in our strategic plan 2020-2024. With a focus on equine welfare, integrity, traceability and sustainability, we can build on the hard-earned international reputation of a truly dedicated and inspirational workforce, confirming Ireland as a global leader in horse racing and breeding.

A fine tradition of horse care goes a long way in attracting inward-investment into Irish breeding and Irish horse racing, all the time growing both elements of the industry at all levels.

Our review of 2021 shows that we have a strong base on which to build. The total number of owners grew by over 20% with the owner retention rate, indicating the number of 2020 active owners who made a race entry in 2021, running at a record 80.7%.

For the fifth time in six years, the number of horses-in-training was up and reflecting this rise, a record number of fixtures and races were held in 2021, sadly with no public attendance at any racemeeting in the first six months of the year, a limit of 500 from July to early September with racecourses operating at 50% capacity for the final three months.

This had a knock-on effect on attendance figures and on-course betting turnover which was up by 67.5% on 2020 but well behind the figures achieved in 2019. There was a negative impact on overall betting and Tote figures during the year due to closures of licenced betting offices in Ireland and the UK.

There was a most welcome increase in the overall figure for bloodstock sales after a very trying year in 2020 when most of the major horse sales were severely disrupted with changes to sales' dates and locations having an impact on end-of-year figures. However, a rise of 71.3% to €182.2 million for sales at public auction points to a continued demand of Irish bloodstock with Irish-foaled horses being sold at auction to 31 countries.

It is regrettable that we didn't get to celebrate our racing champions in the traditional manner. The champions for the 2020/2021 National Hunt season were JP McManus, Willie Mullins, Paul Townend, Simon Torrens, Patrick Mullins and Jody Townend while Mrs Sue Magnier,

CHIEF EXECUTIVE'S REPORT (continued)

Aidan O'Brien, Colin Keane and Dylan Browne McMonagle were our Flat champions. My congratulations to them all.

Suzanne Eade
Chief Executive

FINANCE REVIEW

The financial statements of the Horse Racing Ireland Group show a surplus for the year ended 31st December 2021. There was a surplus of €6.000m for the year compared to a surplus of €14.793m in 2020.

GROUP INCOME AND EXPENDITURE ACCOUNT

Turnover for the year increased by 17%, or €9.824m to €68.589m compared to €58.765m in 2020, the largest element of which related to Tote betting.

Tote Ireland turnover has increased from €48.160m to €55.123m resulting in an increase of €6.963m. For the majority, this can be accounted for by a significant increase in off course betting where high street and international B2B networks resumed trading post Covid restrictions. The winnings paid by Tote have increased by €7.714m which is reflective of increased participation into Irish Pools in 2021.

Racecourse income has increased by €2.853m with a corresponding increase in operating costs of €3.013m. The increase is attributable to a return of limited attendances and additional fixtures compared to 2020.

Betting Related fees of €0.174m remained broadly in line with 2020.

The number of fixtures staged in Ireland in 2021 was 394 compared to 332 in 2020. The total number of races run was 3,021 compared to 2,491 in 2020.

Complete statistics for Irish racing are available in the Horse Racing Ireland Fact Book 2021 and on www.goracing.ie.

OTHER INCOME

The movement in other income can be attributed to an increase in the Horse and Greyhound Racing Fund, growth in prize money contributions, media income, registrations income and industry contributions to Irish Thoroughbred Marketing.

The allocation to horse racing from the Horse and Greyhound Fund increased by €9.600m in 2021. The total allocation to horse racing in 2021 was €76.800m.

The increase in media income is due to the additional number of fixtures over 2020 and an increase in streaming services.

The increase in registrations income is due to the higher numbers of horses in training and additional fixtures over 2020.

The increase in industry contributions to Irish Thoroughbred Marketing is due to strong bloodstock sales which were severely disrupted in 2020.

PRIZEMONEY

The total prizemoney pool of €62.630m showed an increase of €10.997m from the previous year's total of €51.633m.

The increase reflects the additional number of fixtures scheduled in 2021 and increased number of entries, up 34% on prior year.

FINANCE REVIEW (continued)

The contributions from owners increased by 26% or €3.008m while Horse Racing Ireland's contribution increased by 22% or €7.820m in 2021. Contributions from sponsors remained broadly in line with 2020.

EXPENDITURE

During 2021, Group expenditure excluding prizemoney increased to €36.998m which was an increase of 5% or €1.895m from the 2020 figure of €35.103m. The increased expenditure is largely attributable to the additional fixtures and races held in 2021.

HRI provides funding to the Irish Horseracing Regulatory Board to meet the cost of providing on-course integrity services. Integrity and the associated Racecourse Services costs amounted to €14.216m in 2021 with integrity services increasing by €1.601m or 19% in the year which reflects the additional fixtures held in the year.

Additionally, HRI directly funds Racecourse Service costs for which includes the mobile camera and broadcast unit, starting stalls & photo finish. Racecourse services costs showed an increase of 20% or €0.719m over 2020.

Grants paid to industry bodies increased by 5% or €0.138m over 2020. Payments to the Order of Malta and Blue Cross are higher in 2021 as a direct result of increased number of fixtures.

Total distributions paid under the Foal Levy Scheme in 2021 were €1.890m. The primary beneficiaries of the Foal Levy funds in 2021 were the Irish Equine Centre, in receipt of €0.900m, Irish Thoroughbred Marketing Limited in receipt of €0.475m and the Irish Thoroughbred Breeders' Association, in receipt of €0.425m.

Horse Racing Ireland's administration costs increased from €8.423m in 2020 to €8.778m in 2021. The increase in administration costs is associated with additional spend on IT related costs and labour costs.

Irish Thoroughbred Marketing expenditure increased from €1.389m in 2020 to €2.016m in 2021, reflective of increased activity with the resumption of bloodstock sales.

Marketing and Communications costs remained broadly in line with the amounts paid during 2020.

GROUP CASH FLOW

In 2021, Group cash inflows from operating activities amounted to €14.595m. The net cash outflows from investing activities totalled €21.655m, giving total cash outflow of €7.060m.

During the year, Group payments to acquire tangible fixed assets totalled €4.162m.

The Group purchased listed investments of €4.980m and sold listed investments of €2.489m. This resulted in a net outflow of cash of €2.491m.

Unlisted investments of €15.000m were purchased and bank loans of €4.500m were repaid.

**AUDITED GROUP
FINANCIAL STATEMENTS
HORSE RACING IRELAND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

HORSE RACING IRELAND
BOARD MEMBERS AND OTHER INFORMATION

Board Members	Mr. Nicholas Hartery (Chairperson)	
	Mr. Bernard Caldwell	(Retired 13 June 2022)
	Mr. Daragh Fitzpatrick	
	Mr. Ger Flynn	(Appointed 13 June 2022)
	Mr. Christy Grassick	
	Mr. Michael Halford	
	Ms. Elizabeth Headon	
	Mr. Harry McCalmont	(Retired 12 January 2021)
	Mr. Laurence McFerran	(Appointed 12 January 2021)
	Mr. Robert Nixon	
	Ms. Carol Nolan	
	Mr. Peter Nolan	
	Mr. Conor O'Neill	
	Ms. Meta Osborne	
Mr. John Powell		
Ms. Caren Walsh		
Secretary	Ms. Claire Rudd	(Appointed 31 December 2021)
	Mr. Raymond Horan	(Retired 31 December 2021)
Registered Office	Ballymany	
	The Curragh	
	Co. Kildare	
Auditors	Comptroller and Auditor General	
	3A Mayor Street Upper	
	Dublin 1	
Solicitors	Byrne Wallace	
	88 Harcourt Street	
	Dublin 2	
	William Fry	
	2 Grand Canal Square	
	Dublin 2	
	LK Shields	
	40 Mount Street Upper	
	Dublin 2	
Bankers	Bank of Ireland	
	Allied Irish Banks p.l.c.	
	KBC Bank Ireland p.l.c.	
	Permanent tsb Group Holdings p.l.c.	
	Ulster Bank Ireland DAC	

HORSE RACING IRELAND

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Governance

The Board of Horse Racing Ireland was established under the Irish Horseracing Industry Act, 1994 (as amended) ("the Act").

The functions of the Board are set out in section 10 of the Act. The Board is accountable to the Minister for Agriculture, Food and the Marine and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of Horse Racing Ireland are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and senior management of Horse Racing Ireland.

Horse Racing Ireland is also responsible for the administration of its nine subsidiaries and the authorisation of transactions in each of the subsidiaries. The governance arrangements and control procedures within Horse Racing Ireland also apply to each of the subsidiaries.

Horse Racing Ireland's mission is to develop and promote Ireland's horse racing and breeding industries, to administer and govern the sport of horse racing in Ireland, to cultivate and promote the highest standards of integrity and welfare.

Board Member Responsibilities

The work and responsibilities of the members are set out in the Schedule of Reserved Board Functions, which also contains the matters specifically reserved for Board decision. Standing items considered by the Board include:

- Strategic and business planning
- Financial management
- Resource allocation
- Corporate governance
- Reports from committees
- Financial reports / management accounts
- Risk management

The Board also considers declaration of interests and performance reporting as well as the above matters reserved for Board decision.

Section 29 of the 1994 Act requires the Board of Horse Racing Ireland to keep, in such form as may be approved by the Minister for Agriculture, Food and the Marine with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of Horse Racing Ireland is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Horse Racing Ireland and the Group will continue in business; and
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the financial statements are prepared in accordance with Section 29 of the Act and accounting standards generally accepted in Ireland. The maintenance and integrity of the publication of the corporate and financial information for Horse Racing Ireland is the responsibility of the Board.

The Board is responsible for approving the strategic plan and the annual budget which are evaluated on an ongoing basis. The 2020-2024 strategic plan was approved by the Board and is available online.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of Horse Racing Ireland give a true and fair view of the financial performance and the financial position of Horse Racing Ireland at 31 December 2021.

HORSE RACING IRELAND
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT (CONTINUED)

Board Structure

The Board consists of a Chairperson and thirteen ordinary members, all of whom are appointed by the Minister for Agriculture, Food and the Marine. Members of the Board are generally appointed for a period of four years. In some instances, a second term may be served or the period of appointment may be longer. Members meet between 8 - 10 times per calendar year. The date of appointment of current members has been included at Note 15 to the Financial Statements. The Board conducted an external Board Effectiveness and Evaluation Review in 2020.

As at 31 December, the Board had four female and ten male members, with no positions vacant. The Board therefore does not meet the Government target of a minimum of 40% representation of each gender in the membership of State Boards. The Board currently has 29% female representation. The next vacancies arise early 2022 at which time the matter of gender balance will be further addressed.

The Board has established five committees and one forum. Four of these committees and forum are required by statute and one is required by the Code of Practice for the Governance of State Bodies. Their membership is defined by reference to the underlying statutory provisions, Code provisions or internal terms of reference and complies with same. No committee members receive any fees in relation to these appointments.

Statutory Committees

Fixtures Committee

The fixtures committee is responsible for determining and recommending proposals for the annual list of race fixtures, new or additional fixtures in the event of abandonment or cancellation of fixtures, monitoring the programme of race fixtures and proposing policies and strategies which form the basis for determining race fixtures.

Media Rights Committee

The media rights committee holds responsibility for determining and recommending media rights policies and strategies which form the basis for media rights contracts and arrangements, monitoring the international media landscape / market, overseeing the negotiation and financial arrangements associated with the sale or licensing relating to media rights.

Betting Committee

The betting committee determines and recommends strategies and policies for Horse Racing Ireland in relation to the betting sector in accordance with the terms of the Act.

Industry Services Committee

The industry services committee is responsible for determining and recommending initiatives and proposals, that could be implemented and/or supported by Horse Racing Ireland, as industry initiatives in order to strengthen the skills, learning and development and represent the interests of those employed in the industry.

Racegoers Consultative Forum

The racegoers consultative forum function is to assist the Board of Horse Racing Ireland in the discharge of its responsibilities by providing consultations relating to the operations of HRI and racecourses in the context of developments or desired developments in the horseracing industry generally as they affect the racegoer or service or facility user.

Fixtures Committee (4 meetings)

Meta Osborne (Chairperson)	<i>Board member</i>	Appointed February 2021
Christy Grassick	<i>Board member</i>	Appointed February 2021
Michael Halford	<i>Board member</i>	
Harry McCalmont	<i>Board member</i>	Retired January 2021
Conor O'Neill	<i>Board member</i>	
Caren Walsh	<i>Board member</i>	

HORSE RACING IRELAND
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT (CONTINUED)

Media Rights Committee (3 meetings)

Conor O'Neill (Chairperson)	Board member
Nicholas Hartery	Board member
Michael Moloney	External member
Robert Nixon	Board member
Meta Osborne	Board member

Betting Committee (3 meetings)

Daragh Fitzpatrick (Chairperson)	Board member	
Allan Byrne	External member	Retired January 2022
Sharon Byrne	External member	
Paddy Desmond	External member	Appointed January 2022
Elizabeth Headon	Board member	
Ross Kierans	HRI Employee	

Industry Services Committee (3 meetings)

Carol Nolan (Chairperson)	Board member	
Bernard Caldwell	Board member	Retired March 2022
Andrew Coonan	External member	
John Flannery	External member	Retired March 2022
Ger Flynn	Board member	Appointed March 2022
John Lane	HRI Employee	Appointed March 2022
Michael O'Donoghue	External member	Retired March 2022
Jennifer Walsh	External member	Appointed March 2022

Racegoers Consultative Forum (No meetings)

Paul Dermody (Chairperson)	HRI Employee	
Heather Downey	HRI Employee	Retired January 2022
Kara Gabbett	External member	
Tom Galway	External member	
Eugene Kelly	External member	
Mark McGrath	External member	
Steven McGuinness	External member	

Due to Covid-19 and racing behind closed doors the forum was suspended in February 2021.

Code of Practice for the Governance of State Bodies Committees

Audit & Risk Committee

The audit and risk committee is responsible for oversight and assistance to the HRI Board in relation to compliance, internal control framework, internal and external audit reviews, risk management and other regulatory or compliance matters.

Audit & Risk Committee (6 meetings)

Victor Clarke (Chairperson)	*	External member	Appointed May 2022
Sasha Kerins	**	External member	Retired February 2022
Robert Nixon		Board member	
Peter Nolan		Board member	
Patricia O'Connor		External member	
Meta Osborne		Board member	
Nick Wachman		External member	Retired February 2021

* Victor Clarke was appointed February 2021 to the committee and appointed Chairperson May 2022.

** Sasha Kerins retired as Chairperson February 2022.

HORSE RACING IRELAND
GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT (CONTINUED)

Schedule of Attendance, Fees and Expenses

A schedule of attendance of Board members at the Board and Committee meetings for 2021 is set out in Note 15 to the financial statements. This includes the fees and expenses received by each member.

Key Personnel Changes

There were changes to Board members as reflected on page 2. In accordance with the Act, all appointments are made by the Minister for Agriculture, Food and the Marine.

Code of Practice for the Governance of State Bodies

The Board is responsible for ensuring that Horse Racing Ireland has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The Board has adopted the Code of Practice for the Governance of State Bodies and has put procedures in place to ensure compliance with the Code.

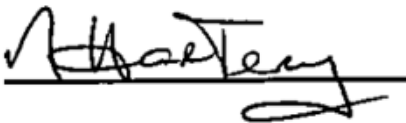
Events since the financial year end

The impact of Covid-19 is reducing on Horse Racing Ireland in 2022 with the reduction and removal of restrictions.

Statement of Compliance

Horse Racing Ireland has sought formal derogations from the application of the Code of Practice for the Governance of State Bodies in relation to the imposition of restrictions on further employment on Board members and staff and the requirement to oblige grant recipients to include staff benefits tables within their published financial statements where such publication arises solely as a consequence of such grant aid being provided by Horse Racing Ireland. We are currently awaiting a response at time of signing the accounts.

The Code required disclosures for Consultancy Costs, Legal Costs and Settlements, Travel and Subsistence and Hospitality Costs are set out in Note 15 to the financial statements.



Nicholas Hartery
Chairperson



Meta Osborne
Board Member

13/10/2022
Date



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Horse Racing Ireland

Opinion on the financial statements

I have audited the financial statements of Horse Racing Ireland for the year ended 31 December 2021 as required under the provisions of section 28 of the Irish Horseracing Industry Act 1994. The financial statements comprise

- the group statement of income and expenditure
- the group statement of comprehensive income
- the group statement of changes in reserves and capital account
- the Horse Racing Ireland statement of changes in reserves and capital account
- the group statement of financial position
- the Horse Racing Ireland statement of financial position
- the group statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the group and of Horse Racing Ireland at 31 December 2021 and of the group's income and expenditure for 2021 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of Horse Racing Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

Horse Racing Ireland has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report

Report of the C&AG (continued)

Loss related to associate

The group statement of income and expenditure indicates that the group incurred a loss of €1.3 million in 2021 related to Horse Racing Ireland's investment in an associate company, Curragh Racecourse Limited. The group's cumulative loss to end 2021 arising from the investment was €7.7 million, representing almost 33% of the amount of €23 million invested by Horse Racing Ireland in the associate company.

As explained in note 39 to the financial statements, Horse Racing Ireland entered into an agreement to provide a convertible loan of up to €9 million to Curragh Racecourse Limited. By 31 December 2021, €7.6 million of the loan facility had been transferred to the company. Under the terms of the loan agreement, any outstanding liability to Horse Racing Ireland at the loan maturity date (31 January 2024) will convert to shares in the associate company.



Seamus McCarthy
Comptroller and Auditor General

20 October 2022

Appendix to the report

Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of annual financial statements in the form prescribed under section 28 of the Irish Horseracing Industry Act 1994
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 28 of the Irish Horseracing Industry Act 1994 to audit the financial statements of Horse Racing Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Horse Racing Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Horse Racing Ireland to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

STATEMENT ON INTERNAL CONTROL FOR HORSE RACING IRELAND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Scope of Responsibility

On behalf of the Board of Horse Racing Ireland, I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated in respect of Horse Racing Ireland and each of its subsidiaries. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk within a clearly articulated risk framework. The system is designed to provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The trading subsidiaries operate a similar reporting structure in relation to the controls in accordance with the requirement of the Code of Practice for the Governance of State Bodies.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in Horse Racing Ireland for the year ended 31 December 2021 and up to the date of approval of the financial statements.

The System of Internal Control is built on a framework of:

- Regular financial information.
- Administrative procedures including segregation of duties and responsibilities and a system of delegation and accountability.
- A comprehensive annual budgeting system, including approval by the Board of HRI's budget.
- Regular reviews by the Board of financial reports and key performance activity with performance measured against budgets.
- Clearly defined capital investment control procedures.
- Compliance with purchasing policies and procedures.
- An annual external audit performed by the Comptroller and Auditor General.
- A comprehensive internal audit programme overseen by the Audit and Risk Committee.

Capacity to Handle Risk

Horse Racing Ireland's Audit and Risk Committee comprise three Board members and three external members, with financial and audit expertise, one of whom is the Chair. The Audit and Risk Committee met six times in 2021.

Horse Racing Ireland has an outsourced internal audit function which is adequately resourced and conducts a programme of work agreed with the Audit & Risk Committee. The internal audit function reports directly to the Audit and Risk Committee which in turn reports to the Board of Horse Racing Ireland. The internal audit plans are carried out based on a risk analysis profile of activity and expenditure and the plans are pre-approved by the Audit and Risk Committee on behalf of the Board. In 2021, ten separate internal audit reports were presented to the Audit and Risk Committee.

The Audit and Risk Committee has overseen the refinement of a risk management policy which sets out the organisation's risk appetite, the risk management processes and details the roles and responsibilities of staff in relation to risk management. This policy was approved by the Board in 2021. The policy has been issued to all relevant personnel who are required to implement Horse Racing Ireland's risk management policy, to alert management on emerging risks and control weaknesses and assume responsibility for risks and reporting on risks and controls within their own area of work. A formal process to identify and evaluate organisation business risks is in place. An executive risk management committee meets regularly during the year and submits their reports to the Audit and Risk Committee.

Risk and Control Framework

Horse Racing Ireland has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. Risk registers are in place which identifies the key risks facing Horse Racing Ireland and its subsidiaries and these have been evaluated and graded according to their significance. The consolidated register is reviewed and updated by the executive risk management committee on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level. The Board reviews the key risks as a standing item on the agenda and the full register at least once a year.

**STATEMENT ON INTERNAL CONTROL FOR HORSE RACING IRELAND (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The Board has taken steps to ensure an appropriate control environment is in place through:

- A clearly defined Management Structure within Horse Racing Ireland and its subsidiaries with clarity on management responsibilities and functions.
- Developing a strong culture of accountability across all levels of the organisation.
- Establishment of formal procedures to monitor activities and safeguard the assets of all companies within the organisation.
- Establishing procedures for reporting significant control failures and ensuring appropriate corrective action is taken.
- Establishment of systems aimed at safeguarding the security of the information and communication technology systems.
- Implementing control procedures over grant funding to outside entities to ensure adequate control over approval of grants and monitoring and review of grantees to ensure grant funding has been applied for the purpose intended.
- An appropriate budgeting system with an annual budget which is kept under review by senior management.

Throughout 2021 Horse Racing Ireland have engaged extensively with the Department of Agriculture, Food and the Marine and other key stakeholders in relation to the significant risks to the Industry as a result of Covid-19. Horse Racing Ireland have reviewed a number of scenarios and financial forecasts and have taken appropriate measures which seek to mitigate the financial impact to the organisation and the wider industry.

Brexit remains a potentially serious impact across both the organisation and industry including, but not limited to, the impact of foreign exchange risk, movement of horses and potential customs or VAT costs and delays.

Ongoing Monitoring & Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. The following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Public Spending Code

The Public Spending Code: Expenditure Planning, Appraisal and Evaluation in the Irish Public Service - Standard Rules & Procedures, suitably modified for the circumstances of Horse Racing Ireland, is currently being complied with.

Horse Racing Ireland has procedures in place to ensure compliance with current procurement rules and guidelines and during 2021 Horse Racing Ireland complied with those procedures.

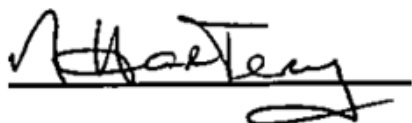
STATEMENT ON INTERNAL CONTROL FOR HORSE RACING IRELAND (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Annual Review of Effectiveness

Horse Racing Ireland has procedures to monitor the effectiveness of its risk management and control procedures. The Board commenced an annual review of the effectiveness of internal controls in January 2022 and concluded this review in March 2022. The review was co-ordinated by the Audit and Risk Committee and included a review by the Board of:

- The Review of Systems of Internal Control completed by internal audit.
- The results of the internal audit programme which audited financial and other controls.
- The management letter prepared by the Office of the Comptroller and Auditor General.
- The annual report by the Audit and Risk Committee to the Board of Horse Racing Ireland.
- The assurance report by the Internal Audit function to the Board.

There were no other weaknesses identified in internal control that resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.



Nicholas Hartery

Chairperson

13/10/2022

Date

**GROUP STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

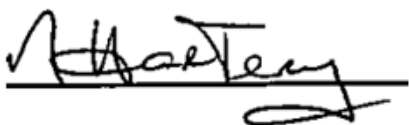
		2021	2020
	Notes	€'000	€'000
Turnover			
Tote Ireland turnover		55,123	48,160
Betting related fees		174	166
Racecourse income	7	13,292	10,439
Total turnover		68,589	58,765
Winnings paid by Tote Ireland	4	(53,883)	(46,169)
Operating costs	4	(15,362)	(13,500)
Direct costs		(69,245)	(59,669)
Income from Racing		(656)	(904)
Other income			
Allocation from the Horse and Greyhound Racing Fund	5	76,800	67,200
Prizemoney contributions from Owners and Sponsors	9	19,464	16,287
Foal levy	6	2,261	2,097
Media income		6,097	4,998
Registrations income		2,549	2,221
Industry services income		424	357
Other income	8	519	529
Industry contributions to Irish Thoroughbred Marketing		531	202
Fair value movements of investment properties	18	180	-
Interest income	15	400	935
Net income		108,569	93,922
Expenditure			
Contributions to prizemoney	9	43,166	35,346
Prizemoney contributions from Owners and Sponsors	9	19,464	16,287
Industry support schemes		2,960	2,685
Integrity and racecourse services	10	14,216	11,896
Racecourse schemes	12	122	74
Capital development fund grants	12	206	578
Capital development fund interest and expenses		627	832
Grants / Fees to industry bodies	11	3,118	2,980
Foal levy distribution	6	1,415	1,497
Other income / expenditure		602	359
Horse Racing Ireland administration costs	15	8,778	8,423
Irish Thoroughbred Marketing expenditure		2,016	1,389
General marketing and promotions		2,938	2,921
Fair value movements of investment properties	18	-	1,469
		99,628	86,736
Share of operating loss of associate	17	(1,390)	(1,843)
Other finance expense		(52)	(91)
Exceptional items	14	(1,105)	9,350
Taxation	13	(394)	191
Surplus before appropriation		6,000	14,793

GROUP STATEMENT OF INCOME AND EXPENDITURE (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Notes	2021 €'000	2020 €'000
Surplus for the financial year before appropriation		6,000	14,793
Contribution to the Exchequer	15	-	(1,000)
Surplus retained for the financial year	15	6,000	13,793
 <i>Surplus attributable to:</i>			
Horse Racing Ireland Group		5,994	13,792
Non-controlling interest		6	1
		<u>6,000</u>	<u>13,793</u>

The result on ordinary activities arises solely from continuing activities.

Notes 1 to 42 form part of these financial statements.



Nicholas Hartery
Chairperson



Meta Osborne
Board Member

13/10/2022
Date

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 €'000	2020 €'000
Surplus for the financial year after appropriation		6,000	13,793
Actuarial gain recognised in the pension scheme	30	5,263	106
Share of comprehensive profit / (loss) of associate	17	120	(20)
Total comprehensive income for the financial year		11,383	13,879
 <i>Total comprehensive income attributable to:</i>			
Horse Racing Ireland Group		11,377	13,878
Non-controlling interest		6	1
		11,383	13,879

Notes 1 to 42 form part of these financial statements.

**GROUP STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Group Revenue Reserves					
	Other Comprehensive Income	I & E Reserves	Establishment Reserve	Non Distributable Reserves	Capital and Restricted Reserves	Total Establishment and Other Reserves
	€'000	€'000	€'000	€'000	€'000	€'000
Current financial year						
At 1 January 2021	(15,387)	89,558	17,183	6,875	3,950	102,179
Retained surplus	-	6,000	-	-	-	6,000
Transfer to / (from) reserves	-	220	-	-	(220)	-
Non-controlling interest	-	(6)	-	-	-	(6)
Other comprehensive profit	120	-	-	-	-	120
Actuarial gain	5,263	-	-	-	-	5,263
At 31 December 2021	(10,004)	95,772	17,183	6,875	3,730	113,556
Prior financial year						
At 1 January 2020	(15,473)	76,748	17,183	6,875	2,968	88,301
Retained surplus	-	13,793	-	-	-	13,793
Transfer to / (from) reserves	-	(982)	-	-	982	-
Non-controlling interest	-	(1)	-	-	-	(1)
Other comprehensive loss	(20)	-	-	-	-	(20)
Actuarial gain	106	-	-	-	-	106
At 31 December 2020	(15,387)	89,558	17,183	6,875	3,950	102,179

At 31 December 2021, €0.220m comprising of €0.201m was transferred from Capital reserves being a decrease in funds committed for future capital development projects (2020: €1.214m) and €0.019m was transferred from Restricted reserves being a decrease in funds set aside from sale of lands for the redevelopment of Leopardstown Racecourse (2020: €2.196m transferred to Restricted reserves).

	Total Establishment and Other Reserves €'000	Non- controlling Interest €'000	Total Equity €'000
Current financial year			
At 1 January 2021	102,179	17	102,196
Retained surplus	6,000	-	6,000
Transfer to/(from) reserves	-	-	-
Non-controlling interest	(6)	6	-
Other comprehensive profit	120	-	120
Actuarial gain	5,263	-	5,263
At 31 December 2021	113,556	23	113,579
Prior financial year			
At 1 January 2020	88,301	16	88,317
Retained surplus	13,793	-	13,793
Transfer to/(from) reserves	-	-	-
Non-controlling interest	(1)	1	-
Other comprehensive loss	(20)	-	(20)
Actuarial gain	106	-	106
At 31 December 2020	102,179	17	102,196

Notes 1 to 42 form part of these financial statements.

**HORSE RACING IRELAND STATEMENT OF CHANGES IN RESERVES AND CAPITAL ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Horse Racing Ireland Revenue Reserves

	Other Comprehensive Income	I & E Reserves	Establishment Reserve	Non Distributable Reserves	Capital and Restricted Reserves	Total Establishment and Other Reserves
	€'000	€'000	€'000	€'000	€'000	€'000
<i>Current financial year</i>						
At 1 January 2021	(15,313)	48,960	9,592	6,875	3,950	54,064
Retained surplus	-	8,842	-	-	-	8,842
Transfer to/(from) reserves	-	220	-	-	(220)	-
Actuarial gain	5,263	-	-	-	-	5,263
At 31 December 2021	(10,050)	58,022	9,592	6,875	3,730	68,169
<i>Prior financial year</i>						
At 1 January 2020	(15,419)	36,752	9,592	6,875	2,968	40,768
Retained surplus	-	13,190	-	-	-	13,190
Transfer to/(from) reserves	-	(982)	-	-	982	-
Actuarial gain	106	-	-	-	-	106
At 31 December 2020	(15,313)	48,960	9,592	6,875	3,950	54,064

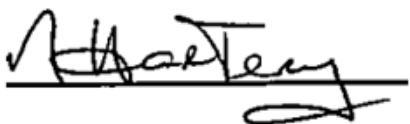
At 31 December 2021, €0.220m comprising of €0.201m was transferred from Capital reserves being a decrease in funds committed for future capital development projects (2020: €1.214m) and €0.019m was transferred from Restricted reserves being a decrease in funds set aside from sale of lands for the redevelopment of Leopardstown Racecourse (2020: €2.196m transferred to Restricted reserves).

Notes 1 to 42 form part of these financial statements.

GROUP
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021 €'000	2020 €'000
Fixed assets			
Tangible assets	16	85,830	86,814
Financial assets	17	60,770	44,148
Investment properties	18	12,665	12,485
Negative goodwill	19	(2,078)	(2,078)
		157,187	141,369
Current assets			
Debtors	20	12,182	6,137
Cash at bank	22	22,551	34,544
		34,733	40,681
Creditors: Amounts falling due within one year	23	55,678	46,588
Net current liabilities		(20,945)	(5,907)
Debtors: Amounts falling due after one year	21	-	500
Total assets less current liabilities		136,242	135,962
Creditors: Amounts falling due after one year	24	21,097	25,566
Provision for liabilities	26	1,075	1,079
Pension liability	30	491	7,121
Net assets		113,579	102,196
Capital and reserves			
Establishment reserve	28	17,183	17,183
Revenue reserves	29	85,768	74,171
Non-distributable reserves	29	6,875	6,875
Capital and restricted reserves	29	3,730	3,950
Capital and reserves attributable to Group		113,556	102,179
Non-controlling interest	31	23	17
Total capital and reserves		113,579	102,196

Notes 1 to 42 form part of these financial statements.



Nicholas Hartery
Chairperson



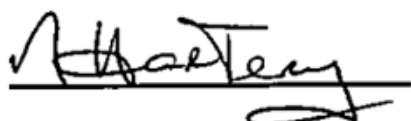
Meta Osborne
Board Member

13/10/2022
Date

HORSE RACING IRELAND
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021 €'000	2020 €'000
Fixed assets			
Tangible assets	16	20,862	20,247
Financial assets	17	63,591	45,699
Investment properties	18	6,815	6,640
		91,268	72,586
Current assets			
Debtors	20	32,337	28,641
Cash at bank	22	15,258	28,694
		47,595	57,335
Creditors: Amounts falling due within one year	23	49,122	43,687
Net current (liabilities) / assets		(1,527)	13,648
Debtors: Amounts falling due after one year	21	-	500
Total assets less current liabilities		89,741	86,734
Creditors: Amounts falling due after one year	24	21,081	25,549
Pension liability	30	491	7,121
Net assets		68,169	54,064
Capital and reserves			
Establishment reserve	28	9,592	9,592
Revenue reserves	29	47,972	33,647
Non-distributable reserves	29	6,875	6,875
Capital and restricted reserves	29	3,730	3,950
Total capital and reserves		68,169	54,064

Notes 1 to 42 form part of these financial statements.



Nicholas Hartery
Chairperson



Meta Osborne
Board Member

13/10/2022
Date

GROUP STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Notes	2021 €'000	2020 €'000
Net cash inflow from operating activities	34	14,595	7,493
Cash flows from investing activities			
Receipts from sale of tangible fixed assets		20	12,511
Payments to acquire tangible fixed assets		(4,162)	(8,174)
Payments to improve investment properties		-	(4)
Receipts from financial asset loans		265	-
Receipts / (Loans) to / from racecourses and industry bodies		119	(281)
Loan to associate undertakings		(703)	(6,888)
Purchase of unlisted investments - net		(15,000)	-
Purchase of listed investments - net		(2,491)	(2,488)
Interest received		297	303
Net cash flows from investing activities		(21,655)	(5,021)
Cash flows from financing activities			
Bank loan repayment		(4,500)	(250)
Interest paid		(433)	(445)
Net cash flows from financing activities		(4,933)	(695)
Net (decrease) / increase in cash and cash equivalents		(11,993)	1,777
Cash and cash equivalents at beginning of financial year	35	34,544	32,767
Cash and cash equivalents at end of financial year	35	22,551	34,544

Notes 1 to 42 form part of these financial statements.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies

The following accounting policies are applied consistently in dealing with items which are considered material in relation to the Group's and Parent's financial statements.

General Information and Basis of Accounting

Horse Racing Ireland is the national authority for thoroughbred horse racing in Ireland, with responsibility for the governance, development and promotion of the industry under the Horse and Greyhound Racing Act 2001, as updated for the Horse and Greyhound Racing Act 2016. Horse Racing Ireland's mission is to develop and promote Ireland's horse racing and breeding industries, to administer and govern the sport of horse racing in Ireland, to cultivate and promote the highest standards of integrity and welfare.

Statement of Compliance

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value in accordance with generally accepted accounting practice, including Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council as promulgated by Chartered Accountants Ireland.

The unit of currency in which the financial statements are presented in is Euro.

The subsidiary companies all meet the definition of a qualifying entity under FRS 102 and have therefore availed of the disclosure exemptions available to them in respect of the Company financial statements. Permitted FRS102 disclosure exemptions have been taken in the Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel. Comparative figures for the prior year have been restated in line with the current year.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Horse Racing Ireland and all of its subsidiaries during the financial year.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Turnover

Turnover excludes intra group transactions with Group subsidiaries. Tote Ireland turnover represents the sum of wagers placed into Tote Ireland pools on Irish horse racing during the period for both cash and credit bets and the commissions accruing to Tote Ireland on bets placed through Tote Ireland into Tote pools operated by Totalisators in foreign jurisdictions. Betting income represents a levy charged to on-course bookmakers and on-course betting shops, based on their on-course turnover, pitch fees charged to on-course bookmakers and registration fees charged to on-course bookmakers on transfer of seniority on pitches. Racecourse income represents income received from the provision of racing and golfing activities and related activities and from income earned on the rental of the racecourse's facilities. Turnover is accounted for on an accruals basis.

Interest income is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the interest income can be measured reliably. For loans not repayable on demand the effective interest rate method is used.

Rental income arising on investment property is accounted for on a straight line basis over the lease term. Where there is a doubt over collectability amounts due are provided for in full.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies (continued)

Foal levy income

Foal levy income is recognised on a cash receipts basis.

Contribution to prizemoney

Contributions to prizemoney are made by Owners, Sponsors and Horse Racing Ireland.

Contributions to prizemoney by Horse Racing Ireland are expensed in the period in which they are incurred.

The entrance fees, forfeits and sponsorship money for guaranteed value races are applied in funding prizemoney for such races. Where there is a surplus in any guaranteed value race this is used to fund any deficits in other such races at a subsequent time as directed by the Chief Executive of Horse Racing Ireland.

Grants and racecourse incentive schemes

Grants paid

Capital development grants paid to racecourses under the capital development scheme are accounted for on an accruals basis.

These grants are treated as a deferred credit in the Statements of Financial Position of the subsidiary companies and are credited to revenue on the same basis as the related fixed assets are depreciated. However for consolidation, these balances are adjusted to reflect the Group position.

Grants received

State grants are credited to income when cash has been received from the State.

Operating leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period.

Rental income arising on operating leases is accounted for on a straight-line basis over the lease term of the ongoing leases.

Operating lease incentives

Operating lease incentives granted as a reduction against rental income are recognised over the lease term on a straight-line basis.

Finance leases / hire purchase agreements

The capital cost of assets acquired under finance leases / hire purchase agreements are included under tangible assets and written off over the shorter of the lease / agreement term or the estimated useful life of the asset. The capital elements of future lease obligations are recorded as liabilities. Interest on the remaining obligation is charged to the Statement of Income and Expenditure over the period of the lease / agreement. This charge is calculated so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

Exceptional items

In order to highlight significant items within the Group result for the year, the Group include significant items as exceptional items within the Statement of Income and Expenditure. Such items may include: impairment of assets, litigation settlements and profit or loss on disposal of investments. Judgement is used by management in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the Statement of Income and Expenditure and notes as exceptional items.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies (continued)

Taxation and deferred tax

The yearly charge for taxation is based on the profit for the financial year and is calculated with reference to the tax rates applying at the Statement of Financial Position date.

Deferred tax is calculated on the differences between the subsidiary company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Full provision for deferred tax assets and liabilities is made at tax rates that are expected to apply on reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset.

A net deferred asset is regarded as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and provisions for impairment in value, except for land which is stated at cost less impairment. Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset systematically over its estimated useful life, on the straight-line basis, at the following annual rates:

Land	Nil
Buildings	2% - 10%
Track Enhancements	2% - 12.5%
Plant, Equipment, Fixtures & Vehicles	3% - 33%

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The carrying values of tangible fixed assets are reviewed for impairment in accounting periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Assets under construction are not depreciated until the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

All capitalised software is recognised as a fixed asset.

Investment properties

Investment properties are measured at fair value annually with any change recognised in the Statement of Income and Expenditure.

Rental income arising on investment property is accounted for on a straight-line basis over the lease term of the ongoing leases.

Reserves

The establishment and non-distributable reserves may only be used for a limited number of purposes.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Cash and cash equivalents

Cash consists of cash on hand, demand deposits and short term fixed deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method, with the exception of listed debt instruments which are designated as at fair value with any change recognised in the Statement of Income and Expenditure:

- (a) The contractual return to the holder is:
 - (i) a fixed amount;
 - (ii) a positive fixed rate or a positive variable rate; or
 - (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principle or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that:
 - (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than:
 - (1) a change of a contractual variable rate;
 - (2) to protect the holder against credit deterioration of the issuer;
 - (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or
 - (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies (continued)

Financial instruments (continued)

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when:

- (a) the contractual rights to the cash flows from the financial asset expire or are settled;
- (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-puttable ordinary shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value with changes in fair value recognised through profit or loss. Where fair value cannot be measured reliably investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated using a valuation technique.

Investments in subsidiaries and racecourses

Investments in subsidiaries and racecourses are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for relief from the recognition of share premium, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Acquisitions

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations affected prior to the date of transition. On the acquisition of a company or business, fair values reflecting conditions at the date of acquisition are attributed to the identifiable separable assets and liabilities acquired.

Where the fair value of the consideration paid exceeds the fair value of the identifiable separable asset and liabilities acquired, the difference is treated as purchased goodwill. Where the fair value of the separable net assets acquired exceeds the fair value of the consideration given, the difference is treated as negative goodwill. Negative goodwill is accounted for as indicated below.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies (continued)

Investment in associate

An associate is an entity over which Horse Racing Ireland has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. In the Group financial statements and pursuant to the equity method, the investment in an associate will be initially recorded at cost and its carrying amount will be increased or decreased to recognise their share of profit or loss and other comprehensive income generated by the entity.

When the Group's share of losses of an associate exceeds the Groups interest in that associate (which includes any long-term interests that, in substance, form part of the group net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Investments in associates are accounted at cost less impairment in Horse Racing Ireland's Statement of Financial Position.

Where indicators of impairment arise, the carrying amount of the associate is tested for impairment by comparing its recoverable amount with its carrying amount. Please see Judgements and key sources of estimation and uncertainty for further details.

In 2020, HRI assessed there to be an indicator of impairment of their investment in Curragh Racecourse Ltd due to Covid-19 restrictions. Details of the result of this impairment review are set out in Note 17 (B).

Negative Goodwill

Negative goodwill arising on acquisitions is amortised to the Statement of Income and Expenditure account over the financial year in which the non-monetary assets are realised either through depreciation or sale. Negative goodwill comprises the excess of the fair value of the assets acquired over the consideration.

Pensions

Horse Racing Ireland has both defined contribution and defined benefit pension schemes.

Defined contribution schemes

Payments to the defined contribution schemes are charged to the Statement of Income and Expenditure in the period to which they relate.

Defined benefit schemes

For the defined benefit scheme operated by Horse Racing Ireland, pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. An excess of scheme liabilities over scheme assets is presented on the Statement of Financial Position as a liability.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the financial year in which they occur.

The pension charge in the Statement of Income and Expenditure comprises the current service cost and past service cost plus the difference between the interest income on scheme assets based on the discount rate and the interest cost on the scheme liabilities.

Client Funds

Horse Racing Ireland holds balances due to racing clients which are available for withdrawal by the client upon request. Client account balances are regularly reviewed for dormancy and HRI actively engages with the account holder.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies (continued)

Judgements and key sources of estimation uncertainty

The members consider the accounting estimates and assumptions below to be its critical accounting estimates and judgements:

Going concern

The members have reviewed and approved budgets and cash flows for the next financial year which demonstrate that there is no material uncertainty regarding the Group's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the members consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Group was unable to continue as a going concern.

Useful lives of tangible fixed assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset. The useful lives are reviewed by management on a regular basis and changed, if necessary, to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The depreciation policy reported in these financial statements is approved by the Members and is reviewed annually, in conjunction with the approval of the Financial Statements. The net book value of tangible fixed assets subject to depreciation was €67.926m (2020: €68.962m).

Retirement benefit obligations

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined with input from the actuary and are updated annually based on current economic conditions.

Valuation of investment property

Investment properties were valued at €12.665m at 31 December 2021. During the year, works to the properties amounted to € Nil and there was an increase in value of €0.180m during 2021. Significant assumptions were applied in the valuation of investment properties. These assumptions applied to size, location, terms, covenant and other material factors.

Financial instruments

For the financial instruments held at fair value through profit or loss, fair values are marked at prices quoted in an active market. Other financial instruments are valued using a discounted cash flow analysis which is based on assumptions supported, where possible, by observable market prices although some assumptions are not supported by observable market prices or rates.

Impairment of tangible assets

Determining whether tangible assets are impaired requires an estimation of their value in use to the Group. The value in use calculation requires the management to estimate the future cash flows expected to arise from the tangible asset and a suitable discount rate in order to calculate present value.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. Accounting Policies (continued)

Impairment of investment in associate - Curragh Racecourse Ltd

Determining whether investment in associate is impaired requires judgement in establishing an appropriate recoverable amount. Given the specialist nature of the assets that underlie HRI's investment in Curragh Racecourse Ltd and in the absence of an active market for these assets, racecourse land and buildings were valued on a depreciable replacement basis by an independent qualified valuer. Due to the strategic importance of this investment, Curragh Racecourse Ltd is held for its service potential. Therefore, the depreciable replacement cost for the specialised assets plus carrying value of all other assets less liabilities is appropriate in calculating the recoverable amount.

The Board of HRI have taken account of the asset valuations carried out by Curragh Racecourse Ltd, the forecast trading results included in strategic plans and assessed current and future projected profitability. The Board have also noted the disclosures made by Curragh Racecourse Ltd in its financial statements regarding a material uncertainty in the determination of asset value and also in the preparation of Curragh Racecourse Ltd financial statements.

The Board of HRI believe the investment's carrying value in the Group Statement of Financial Position is not impaired as the recoverable amount exceeds the carrying value. In relation to the HRI Statement of Financial Position, the directors believe that no impairment is required as set out in note 17 (B) (2020: an impairment was required).

2. Employee numbers

The average number of persons employed by the Group was as set out below:

	2021	2020
	Number	Number
HRI - Full time staff	102	106
HRI - Raceday casual staff (Full time equivalents)	7	6
	109	112
HRI Subsidiaries - Full time staff	81	94
HRI Subsidiaries - Raceday casual staff (Full time equivalents)	22	11
	103	105
	212	217

The average number of individual casual employees that worked in 2021 was 78 (2020: 61).

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. Employee remuneration

The aggregate payroll cost of the employees, excluding pension costs, detailed above was as follows:

	2021	2020
	€'000	€'000
Wages and salaries	14,320	13,106
Covid subsidy received (TWSS)	-	(507)
Covid subsidy received (EWSS)	(1,081)	(431)
Employer's social welfare costs	1,319	1,197
	14,558	13,365

Analysed as follows:

Capitalised into assets	590	394
Expensed in financial year	13,968	12,971
	14,558	13,365

Included in the above figure is an amount in respect of payments paid and accrued in 2021 under a restructuring, redundancy and other programs of €0.970m (2020: €0.696m). Also included within the figure for wages & salaries are amounts relating to overtime €0.110m (2020: €0.128m) and allowances €0.092m (2020: €0.080m).

Remuneration and benefits paid to key management was as follows:

	2021	2020
	€'000	€'000
Remuneration and other benefits	1,638	1,588

The above figure includes remuneration of €1.378m (2020: €1.346m) and benefits of €0.260m (2020: €0.242m) paid and accrued in 2021. Key management includes the Chief Executive Officer, Board members and senior management.

Employee benefits breakdown

Employees short-term benefits in excess of €50,000 are categorised into the following bands:

Salary band	2021	2020
	Number	Number
€50,000 - €74,999	59	48
€75,000 - €99,999	15	17
€100,000 - €124,999	2	4
€125,000 - €149,999	8	7
€150,000 - €174,999	3	2
€175,000 - €199,000	1	2
	88	80

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4. Direct costs

	Winnings paid on bets		Operating costs		Total	
	2021	2020	2021	2020	2021	2020
	€'000	€'000	€'000	€'000	€'000	€'000
Betting collection costs	-	-	92	137	92	137
Tote Ireland	53,883	46,169	2,107	3,213	55,990	49,382
HRI Racecourses Group	-	-	13,163	10,150	13,163	10,150
	53,883	46,169	15,362	13,500	69,245	59,669

5. Allocation from the Horse and Greyhound Racing Fund

Horse Racing Ireland with a registered office at Ballymany, The Curragh, Co. Kildare was established on 18 December 2001, under the Horse and Greyhound Racing Act 2001. A fund was established for the purpose of giving support to the horse and greyhound racing industries under Section 12 of this Act. This has subsequently been extended under the Horse and Greyhound Fund Regulations, most recently in 2020. The general functions of Horse Racing Ireland are set out in the Irish Horseracing Industry Act 1994, the Horse and Greyhound Act 2001 and the Horse Racing Ireland Act 2016.

In 2021, €76.8m was allocated to Horse Racing Ireland (2020: €67.2m).

6. Foal levy

Under the Irish Horseracing Authority Act 1994, as amended by the Horse and Greyhound Racing (Betting Charges and Levies) Act 1999, Horse Racing Ireland may, with the consent of the Minister for Agriculture, Food and the Marine, charge a levy on all thoroughbred foals registered in a stud book.

This levy is collected by Weatherbys on behalf of Horse Racing Ireland at variable rates and the distribution is based on recommendations from the Foal Levy Committee (as defined in the Act) and approved by the Board of Horse Racing Ireland.

	2021	2020
	€'000	€'000
Balance on hand at 1 January	1,126	976
Collected during the financial year	2,261	2,097
<u>Expenditure in the year:</u>		
Irish Equine Centre	(900)	(900)
Irish Thoroughbred Breeders' Association	(425)	(450)
Irish Thoroughbred Marketing Limited	(475)	(450)
Others	(90)	(147)
	<u>(1,890)</u>	<u>(1,947)</u>
Balance on hand at 31 December (included in revenue reserves)	<u>1,497</u>	<u>1,126</u>

Irish Thoroughbred Marketing Limited expenditure of €475,000 (2020: €450,000) is eliminated on consolidation and shown under Irish Thoroughbred Marketing Limited expenditure in the Group Statement of Income and Expenditure Account.

7. Racecourse income

Racecourse income excludes the fair value movement of investment properties showing an increase of €0.005m (2020: decrease of €1.355m) which were valued at the financial year end by Savills (2020: Knight Frank). See Note 18 for more for more information.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. Other income	2021	2020
	€'000	€'000
HRI lease income	519	529
9. Contributions to prizemoney	2021	2020
	€'000	€'000
From Sponsors	4,793	4,624
From Owners	14,671	11,663
	19,464	16,287
From Horse Racing Ireland	43,166	35,346
	62,630	51,633

This relates to contributions to prizemoney under the Rules of Racing and Point to Points.

10. Integrity and racecourse services

Under the Irish Horseracing Industry Act 1994, Part III, as amended by the Horse and Greyhound Racing Act 2001, Schedule 6, the Racing Regulatory Body (which comprises the Turf Club and the Irish National Hunt Steeplechase Committee) has responsibility for making and enforcing the Rules of Racing and for providing on-course integrity services. Horse Racing Ireland provides the funding to the Racing Regulatory Body in order to meet the costs of providing such services as laid out in Part III, paragraph 42 of the 1994 Act. The Irish Horseracing Regulatory Board has been established to assume the activities of the Racing Regulatory Body and as from 1 January 2018 is the regulatory body for all horseracing in Ireland. Included in the Grants to Irish Horseracing Regulatory Board (IHRB) are the costs associated with National Hunt Integrity Services.

Horse Racing Ireland directly funds Racecourse Service costs for patrol camera, starting stalls and photo finish, which were functions transferred to Horse Racing Ireland from the Turf Club under the Horse and Greyhound Racing Act 2001.

	2021	2020
	€'000	€'000
Grant to IHRB in relation to Racing Integrity Services	9,398	7,713
Grant to IHRB in relation to Point to Point Integrity Services	508	592
Total Grant paid to the IHRB	9,906	8,305
Racecourse services funded by Horse Racing Ireland	4,310	3,591
Total cost of Integrity and Racecourse services funded by Horse Racing Ireland	14,216	11,896

In addition to the above, Horse Racing Ireland makes deductions from client accounts for amounts due to the IHRB in respect of license renewals, appeal costs, commissions on stable bonus, sampling fees and certain charitable funds. The amounts deducted and paid over are not reflected in Horse Racing Ireland's Statement of Income and Expenditure and amounted to €1.437m in 2021 (€1.161m in 2020).

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. Grants / Fees to industry bodies

Grants / Fees paid to industry bodies are analysed as follows:

	2021	2020
	€'000	€'000
Irish Equine Centre	1,320	1,320
Racing Academy and Centre of Education	740	740
Order of Malta	554	477
Blue Cross	306	261
Other Industry Bodies	198	182
	3,118	2,980

As at 31 December 2021, total loans outstanding from the Irish Equine Centre amounted to €0.990m (2020: €0.990m). This loan is included in Note 20 Debtors: Amounts falling due within one year.

12. Racecourse schemes and capital grants

<i>Racecourse schemes</i>	2021	2020
	€'000	€'000
Levy, pitch fee and other payments to racecourses	112	70
Tote percentage betting payments	10	4
	122	74

The payments made under the above racecourse schemes relate to third party owned racecourses only.

<i>Capital grants</i>	2021	2020
	€'000	€'000
Capital development fund grants	206	578

The Board of Horse Racing Ireland established a capital development scheme for racecourses which provides up to a maximum of 40% funding of capital expenditure approved under the scheme. This scheme closed in 2019.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. Taxation

(A) Analysis of charge in the financial year

	2021	2020
	€'000	€'000
Current tax:		
Corporation tax	398	205
Deferred tax:		
Origination and reversal of timing differences (Note 26)	(4)	(398)
Capital taxes:		
Capital gains tax	-	2
Tax on profit on ordinary activities	394	(191)

(B) Reconciliation between tax charge included in profit and loss and profit on ordinary activities before tax of taxable entities multiplied by the applicable tax rate:

The tax assessed for the financial year is different to the standard rate of corporation tax in Ireland (12.5 per cent).

The differences are explained below:

	2021	2020
	€'000	€'000
Profit / (Loss) on ordinary activities before taxation (HRI owned racecourses)	549	(524)
Profit / (Loss) on ordinary activities before taxation multiplied by standard rate of corporation tax in Ireland of 12.5% (2020: 12.5%)	69	(66)
<i>Effect of:</i>		
Non deductible expenses	22	199
Non allowable income	(137)	(140)
Depreciation in excess of capital allowances	340	177
Income taxable at higher rate	104	56
Losses utilised on current period basis - Case 1	-	(21)
Current tax charge for financial year	398	205

The activities of Horse Racing Ireland, Irish Thoroughbred Marketing Limited and Tote Ireland Limited are exempt from corporation tax under the provisions of Section 220 of the Taxes Consolidation Act 1997. The profit on ordinary activities before taxation relates to taxable profits in HRI owned racecourses.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. Exceptional items		2021	2020
		€'000	€'000
Profit from sale of lands	(i)	-	10,349
Redundancy and restructuring program	(ii)	(970)	(598)
Impairment loss	(iii)	(12)	(401)
Termination payment	(iv)	(123)	-
		<u>(1,105)</u>	<u>9,350</u>

- (i) In April 2020, Horse Racing Ireland concluded a sale of lands at Ballyogan, Dublin 18 to the Department of Education and Skills who had identified the site as a location for the construction of a new post primary school, the profit on the sale of this land was €10.349m. The Department of Public Expenditure and Reform in sanctioning the sale directed that a dividend of €1.000m be paid to the Exchequer and the remaining sales proceeds (net of sale transaction costs) be used for the redevelopment of Leopardstown Racecourse.
- (ii) Costs relating to a redundancy and restructuring program (2020: Redundancy and restructuring program in Tote Ireland Ltd).
- (iii) An impairment review was conducted by Tote Ireland Ltd and identified assets which were obsolete.
- (iv) A termination payment was made in respect of an early exit date from a technology and logistics contract which was necessary to implement the changes to the Tote Ireland operating model. Such changes were required as a result of Tote's strategic review of its operations.

15. Surplus for the financial year		2021	2020
		€'000	€'000

Surplus for the financial year has been arrived at after charging:

Depreciation			
- Owned tangible fixed assets		5,134	4,202
Auditors' remuneration: Audit of group financial statements		119	111
Capital development fund interest		433	445
Loss on disposal of assets	(i)	-	126
Operating lease rentals		104	107
Fair value movements of investment properties		-	1,469
Consultancy costs	(ii)	1,140	926
Legal fees and settlements	(iii)	-	(118)
Travel and subsistence	(iv)	578	445
Hospitality	(v)	295	150
Contribution to the Exchequer	(vi)	-	1,000

and after crediting:

Interest receivable on deposits		253	259
Effective interest on loans		147	676
Gain on disposal of assets		20	10,358
Fair value movements of investment properties		180	-

Horse Racing Ireland administration costs comprise the following:		2021	2020
		€'000	€'000
Running costs of departments - pay and non-pay		6,848	6,545
Pension costs		318	325
Building running costs		1,612	1,553
		<u>8,778</u>	<u>8,423</u>

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. Surplus for the financial year (continued)

The remuneration package of the Chief Executive of Horse Racing Ireland was as follows:	2021	2020
	€'000	€'000
Basic salary - former CEO	148	191
Basic salary - current CEO	24	-
Pension contributions and other taxable benefits - former CEO	44	60
Pension contributions and other taxable benefits - current CEO	8	-
	<u>224</u>	<u>251</u>

Brian Kavanagh stepped down as CEO 30 September 2021. Suzanne Eade was appointed CEO, with effect from 16 November 2021.

(i) Loss on disposal of assets

In 2020, included in loss on disposal of assets is an amount of €105,000 on the sale of land by The Tipperary Race Company plc as part of a land swap arrangement in order to facilitate the future development of the racecourse.

	2021	2020
	€'000	€'000
(ii) Consultancy costs *		
Legal advice	134	302
Financial / actuarial advice	70	74
Internal audit	90	58
Capital Development Scheme	3	35
Pension Advice / Consultancy	181	181
Public relations / marketing	86	18
IT Consultancy	190	125
Other	386	133
Total consultancy costs	<u>1,140</u>	<u>926</u>

(iii) Legal fees and settlements

Legal fees - legal proceedings	-	19
Conciliation and arbitration payments	-	-
Settlements	-	(137)
Total legal fees and settlements	<u>-</u>	<u>(118)</u>

(iv) Travel and subsistence

Domestic - Board and committee members	-	3
Domestic - Employees	479	369
International - Board and committee members	3	1
International - Employees	96	72
Total travel and subsistence	<u>578</u>	<u>445</u>

(v) Hospitality

Staff hospitality	25	22
Client hospitality (External hospitality provided to clients/third parties) **	270	128
Total hospitality	<u>295</u>	<u>150</u>

(vi) Contribution to the Exchequer

In 2020, the contribution to the Exchequer relates to the remaining €1m net proceeds from the sale of lands at Ballyogan, Dublin 18 to the Department of Education and Skills. See Note 14 (i) Profit from sale of lands.

The above costs reflect the total spend for Horse Racing Ireland and all subsidiary undertakings.

* Consultancy costs include the cost of external advice to management.

** Client hospitality includes Inward Buyer & Market Development Support.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. Surplus for the financial year (continued)

Horse Racing Ireland Group Board Members' fees and expenses were as follows:		2021	2021	2020	2020
		Fees	Mileage	Fees	Mileage
		€'000	€'000	€'000	€'000
Nicholas Hartery	Appointed 24 May 2018	22	-	22	1
Bernard Caldwell	Appointed 18 December 2008	13	-	13	-
Daragh Fitzpatrick	Appointed 26 January 2018	13	-	13	-
Christy Grassick	Appointed 26 January 2018	13	-	13	-
Michael Halford	Appointed 26 May 2016	13	-	13	-
Elizabeth Headon	Appointed 10 November 2016	13	-	13	-
Harry McCalmont	Retired 12 January 2021	-	-	13	-
Laurence McFerran	Appointed 12 January 2021	13	-	-	-
Robert Nixon	Appointed 31 August 2016	13	-	13	-
Carol Nolan	Appointed 28 March 2018	-	-	-	-
Peter Nolan	Appointed 10 November 2016	13	-	13	-
Conor O'Neill	Appointed 10 December 2018	13	-	13	-
Meta Osborne	Appointed 18 December 2013	13	-	13	-
John Powell	Appointed 26 May 2016	13	-	13	-
Caren Walsh	Appointed 10 October 2019	13	-	13	-
		178	-	178	1

Horse Racing Ireland Group Board Members' attendance at meetings during 2021 was as follows:		Board	Board	Total no. of	Total no. of
		Meetings	Meetings	Board & Other	Board & Other
			Attended	Committee	Committee
				Meetings	Meetings
					Attended
Nicholas Hartery	Appointed 24 May 2018	9	9	15	14
Bernard Caldwell	Appointed 18 December 2008	9	9	17	16
Daragh Fitzpatrick	Appointed 26 January 2018	9	8	12	11
Christy Grassick	Appointed 26 January 2018	9	9	19	17
Michael Halford	Appointed 26 May 2016	9	9	21	18
Elizabeth Headon	Appointed 10 November 2016	9	8	13	11
Laurence McFerran	Appointed 12 January 2021	9	9	9	9
Robert Nixon	Appointed 31 August 2016	9	9	19	19
Carol Nolan	Appointed 28 March 2018	9	9	15	15
Peter Nolan	Appointed 10 November 2016	9	9	15	15
Conor O'Neill	Appointed 10 December 2018	9	9	22	21
Meta Osborne	Appointed 18 December 2013	9	9	27	27
John Powell	Appointed 26 May 2016	9	9	9	9
Caren Walsh	Appointed 10 October 2019	9	9	17	16

The total number of meetings attended includes Board Members' attendance at meetings of the Horse Racing Ireland Board and other statutory / advisory committees.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. Tangible assets

Group	Land & Buildings	Plant, Equipment, & Vehicles	IT Development	Total
Cost and valuation	€'000	€'000	€'000	€'000
At 1 January 2021	112,588	41,000		153,588
Additions	813	3,349		4,162
Disposals	-	(1,912)		(1,912)
At 31 December 2021	113,401	42,437		155,838
Accumulated Depreciation				
At 1 January 2021	38,170	28,604		66,774
Charge for the financial year	1,755	3,379		5,134
Impairment loss	-	12		12
Disposals	-	(1,912)		(1,912)
At 31 December 2021	39,925	30,083		70,008
Net book value				
At 31 December 2021	73,476	12,354		85,830
At 31 December 2020	74,418	12,396		86,814

Included above are assets held under finance leases as follows:

	2021	2020
	€'000	€'000
Land & Buildings		
Net book value	455	472
Depreciation charge	17	17

Group - in respect of prior financial year

Group - in respect of prior financial year	Land & Buildings	Plant, Equipment, & Vehicles	IT Development	Total
Cost and valuation	€'000	€'000	€'000	€'000
At 1 January 2020	108,536	39,963		148,499
Additions	6,308	1,866		8,174
Disposals	(2,256)	(829)		(3,085)
At 31 December 2020	112,588	41,000		153,588
Accumulated Depreciation				
At 1 January 2020	36,559	26,418		62,977
Charge for the financial year	1,611	2,591		4,202
Impairment loss	-	401		401
Disposals	-	(806)		(806)
At 31 December 2020	38,170	28,604		66,774
Net book value				
At 31 December 2020	74,418	12,396		86,814
At 31 December 2019	71,977	13,545		85,522

Following the changes to the Tote Ireland operating model, an impairment review was conducted and identified assets which were obsolete. The assets are primarily software development costs associated with the account betting platform and devices no longer in use.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. Tangible assets (continued)

Horse Racing Ireland	Land & Buildings	Plant, Equipment, IT Development & Vehicles	Total
<i>Cost and valuation</i>	€'000	€'000	€'000
At 1 January 2021	21,889	11,757	33,646
Additions	17	1,877	1,894
Disposals	-	(42)	(42)
At 31 December 2021	21,906	13,592	35,498
<i>Accumulated Depreciation</i>			
At 1 January 2021	6,874	6,525	13,399
Charge for the financial year	188	1,091	1,279
Disposals	-	(42)	(42)
At 31 December 2021	7,062	7,574	14,636
<i>Net book value</i>			
At 31 December 2021	14,844	6,018	20,862
At 31 December 2020	15,015	5,232	20,247

Included above are assets held under finance leases as follows:

<i>Land & Buildings</i>	2021	2020
	€'000	€'000
Net book value	455	472
Depreciation charge	17	17

Horse Racing Ireland - in respect of prior financial year

Horse Racing Ireland - in respect of prior financial year	Land & Buildings	Plant, Equipment, IT Development & Vehicles	Total
<i>Cost and valuation</i>	€'000	€'000	€'000
At 1 January 2020	23,913	10,744	34,657
Additions	57	1,013	1,070
Disposals	(2,081)	-	(2,081)
At 31 December 2020	21,889	11,757	33,646
<i>Accumulated Depreciation</i>			
At 1 January 2020	6,687	5,477	12,164
Charge for the financial year	187	1,048	1,235
Disposals	-	-	-
At 31 December 2020	6,874	6,525	13,399
<i>Net book value</i>			
At 31 December 2020	15,015	5,232	20,247
At 31 December 2019	17,226	5,267	22,493

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. Financial assets		2021	2020
	Note	€'000	€'000
Group			
Loans to racecourses	(A)	759	896
Loans to associate undertaking	(D)	8,895	8,217
Investment in racecourse	(B)	1	1
Investment in associate	(B)	15,344	16,614
Unlisted investments	(B)	15,000	-
Listed investments	(B)	20,771	18,420
		60,770	44,148
Horse Racing Ireland			
Loans to racecourses	(A)	759	896
Loans to associate undertaking	(D)	8,895	8,217
Investment in racecourse	(B)	1	1
Investment in associate	(B)	16,614	16,614
Unlisted investments	(B)	15,000	-
Listed investments	(B)	20,771	18,420
Investment in subsidiary undertakings	(C)	1,551	1,551
		63,591	45,699

(A) Loans to racecourses - Group

	Fair value through profit or loss €'000	Total €'000
Current financial year		
At 1 January 2021	896	896
Repayments	(165)	(165)
Gain on fair value movement	28	28
At 31 December 2021	759	759
Prior financial year		
At 1 January 2020	903	903
Repayments	-	-
Loss on fair value movement	(7)	(7)
At 31 December 2020	896	896

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. Financial assets (continued)

(A) Loans to racecourses - Horse Racing Ireland

	Fair value through profit or loss €'000	Total €'000
Current financial year		
At 1 January 2021	896	896
Repayments	(165)	(165)
Gain on fair value movement	28	28
At 31 December 2021	759	759
Prior financial year		
At 1 January 2020	903	903
Repayments	-	-
Loss on fair value movement	(7)	(7)
At 31 December 2020	896	896

Loans to racecourses, which is at fair value through profit or loss, constitute financing transactions and are measured at the present value of the future cash flows, discounted at a market rate of interest. Included in loans to racecourses are:

- a loan to Blackhall Racing Company, Punchestown Development Company Limited and Punchestown Enterprises Company Limited measured to €0.691m (2020: €0.815m). The maturity date of the loan is 30 November 2026 and interest is charged at a rate of 3 month Euribor plus 1%.
- a loan to Gowran Park Race Company Limited measured to €0.068m (2020: €0.081m). The maturity date of the loan is 31 March 2026 and interest is charged at a rate of ECB plus 1%.

(B) Investments - Group

	Investment in Associate €'000	Investment in Racecourse €'000	Unlisted Investments €'000	Listed Investments €'000	Total €'000
Current financial year					
At 1 January 2021	16,614	1	-	18,420	35,035
Additions	-	-	15,000	4,980	19,980
Share of loss in associate	(1,270)	-	-	-	(1,270)
Disposals	-	-	-	(2,489)	(2,489)
Loss on fair value movement	-	-	-	(140)	(140)
At 31 December 2021	15,344	1	15,000	20,771	51,116
Prior financial year					
At 1 January 2020	18,477	1	-	15,821	34,299
Additions	-	-	-	2,488	2,488
Share of loss in associate	(1,863)	-	-	-	(1,863)
Disposals	-	-	-	-	-
Gain on fair value movement	-	-	-	111	111
At 31 December 2020	16,614	1	-	18,420	35,035

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. Financial assets (continued)

(B) Investments - Horse Racing Ireland

	Investment in Associate €'000	Investment in Racecourse €'000	Unlisted Investments €'000	Listed Investments €'000	Total €'000
Current financial year					
At 1 January 2021	16,614	1	-	18,420	35,035
Additions	-	-	15,000	4,980	19,980
Disposals	-	-	-	(2,489)	(2,489)
Loss on fair value movement	-	-	-	(140)	(140)
At 31 December 2021	16,614	1	15,000	20,771	52,386
Prior financial year					
At 1 January 2020	23,000	1	-	15,821	38,822
Additions	-	-	-	2,488	2,488
Disposals	-	-	-	-	-
Impairment	(6,386)	-	-	-	(6,386)
Gain on fair value movement	-	-	-	111	111
At 31 December 2020	16,614	1	-	18,420	35,035

The listed investments relate to fixed interest investment bonds (all of which are listed on several European Stock Exchanges). As at 31 December 2021, Horse Racing Ireland held 5 fixed interest bonds with maturity dates in 2023, 2024 and 2027. The bonds are listed on the Irish Stock Exchange and have full daily liquidity. The unlisted investments relate to investments in Exchequer notes, sold directly through the NTMA.

Group funding and liquidity is managed by ensuring that sufficient funds are available to meet the Group's needs with an appropriate spread of investment maturity dates. The Group controls and monitors credit risk on the amounts due from counter parties by ensuring that all financial assets are held with regulated institutions of at least investment grade in accordance with the treasury policy and that exposure to credit risk is distributed across a number of institutions. Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices caused by factors specific to an individual investment or factors affecting all instruments traded in the market. The Group monitors this risk on a daily basis.

Investment in racecourse represents investments in ordinary shares. This investment is held at cost less impairment because the fair value cannot be measured reliably.

As set out in the accounting policies HRI carried out an impairment review of its investment in Curragh Racecourse Ltd. As a result of this review HRI concluded that:

- (a) no impairment was required to its Group Investment in Associate in the Group Statement of Financial Position
- (b) no impairment was required to the HRI Investment in Associate in the HRI Statement of Financial Position (2020: an impairment of €6.386m was required).

See Note 39 for further information on investment in associate undertaking.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. Financial assets (continued)

(C) Investments in subsidiary undertakings - Horse Racing Ireland

	2021	2020
	€'000	€'000
At 1 January	1,551	1,551
Additions	-	-
Disposals	-	-
Gain / (Loss) on fair value movement	-	-
At 31 December	<u>1,551</u>	<u>1,551</u>

Details of the principal subsidiaries of Horse Racing Ireland and their activities are set out in Note 40.

(D) Loans to associate undertaking - Group

	2021	2020
	€'000	€'000
Current financial year		
At 1 January	8,217	690
Additions	703	6,888
Repayments	(100)	-
Gain on fair value movement	75	639
At 31 December	<u>8,895</u>	<u>8,217</u>

(D) Loans to associate undertaking - Horse Racing Ireland

	2021	2020
	€'000	€'000
Current financial year		
At 1 January	8,217	690
Additions	703	6,888
Repayments	(100)	-
Gain on fair value movement	75	639
At 31 December	<u>8,895</u>	<u>8,217</u>

Loans to associate undertakings, which is at fair value through profit or loss, constitute financing transactions and are measured at the present value of the future cash flows, discounted at a market rate of interest. Loans to associate undertaking includes a loan to Curragh Racecourse Limited measured at €0.587m (2020: €0.669m) in respect of an element of a previous development plan of the Curragh Racecourse. The maturity date of the loan is 31 March 2027 and interest is charged at a rate of 3 month Euribor plus 1%. In 2020, HRI entered into a €9.000m convertible loan agreement with Curragh Racecourse Limited. As at 31 December 2021, €7.590m has been transferred to Curragh Racecourse Limited. The maturity date of the loan is 31 January 2024 and interest is charged at 3.25%. Under the terms of the convertible loan agreement the loan shall be repaid in full or converted into shares on 31 January 2024. The fair value of the convertible loan assumes this debt will convert into equity at the final repayment date and HRI will be allotted new shares in respect of any loan amount outstanding. Assuming the loan amount is fully drawn down at 31 January 2024 and upon receipt of the new shares HRI will have 33.33% voting rights and 37.4% economic shares in Curragh Racecourse Limited.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. Investment properties

	2021	2020
	€'000	€'000
Group		
Fair value at 1 January	12,485	13,950
Additions	-	4
Gain / (Loss) on fair value movement	180	(1,469)
Fair value at 31 December	12,665	12,485
	2021	2020
	€'000	€'000
Horse Racing Ireland		
Fair value at 1 January	6,640	6,750
Additions	-	4
Gain / (Loss) on fair value movement	175	(114)
Fair value at 31 December	6,815	6,640

Investment properties, which are a health and fitness club, a retail unit and an office building, were valued to fair value by Savills (2020: Knight Frank), an independent valuer with recent experience in the location and class of investment property being valued. The method to determine fair value were the comparative and investment methods and significant assumptions were applied to size, location, terms, covenant and other material factors. There are no restrictions on the realisability of investment property.

19. Negative goodwill

	2021	2020
	€'000	€'000
Cost		
At 31 December	7,135	7,135
Accumulated Amortisation		
At 1 January	5,057	5,057
Amortised in the financial year	-	-
At 31 December	5,057	5,057
Net book value		
At 31 December	2,078	2,078
Goodwill attributable to non-monetary depreciable assets	(5,057)	(5,057)

Negative goodwill of €12.3m arose on the acquisition of net assets in Fairyhouse Club Limited in 2006 and was reduced by the subsequent impairment of those assets in 2013.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

20. Debtors: Amounts falling due within one year	2021	2020
	€'000	€'000
Group		
Trade debtors	4,635	1,812
Prepayments and accrued income	4,579	2,037
Amounts due from industry bodies	1,254	1,373
Amounts due from associate undertaking	505	19
Other debtors	841	805
Taxation recoverable	368	91
	12,182	6,137

Horse Racing Ireland		
Trade debtors	1,736	645
Prepayments and accrued income	1,999	853
Amounts due from subsidiary undertakings	26,499	25,403
Amounts due from associate undertaking	505	19
Amounts due from industry bodies	1,254	1,373
Other debtors	344	348
	32,337	28,641

21. Debtors: Amounts falling due after more than one year	2021	2020
	€'000	€'000

Group		
Amounts due from associate undertaking	-	500
	-	500

Horse Racing Ireland		
Amounts due from associate undertaking	-	500
	-	500

22. Cash at bank	2021	2020
	€'000	€'000

Group		
Horse Racing Ireland	15,258	28,694
HRI Racecourses	5,821	4,748
Tote Ireland	931	387
Irish Thoroughbred Marketing	541	715
	22,551	34,544

Horse Racing Ireland	15,258	28,694
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HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. Creditors: Amounts falling due within one year	2021	2020
	€'000	€'000
Group		
Accruals	8,189	3,679
Bank loans (Note 25)	-	250
Trade creditors	1,670	1,276
Balances due to racing clients	41,231	36,088
Deferred income	2,274	2,031
Amounts due to associate undertakings	83	438
Other creditors	1,673	2,620
Taxation creditors	558	206
	55,678	46,588

Horse Racing Ireland		
Accruals	4,995	2,596
Amounts owed to subsidiary undertakings	353	305
Bank loans (Note 25)	-	250
Trade creditors	678	959
Balances due to racing clients	41,231	36,088
Deferred income	-	649
Other creditors	1,586	2,302
Amounts due to associate undertakings	83	438
Taxation creditors	196	100
	49,122	43,687

Group trade creditors include amounts due to betting clients not drawn down.

Balances due to racing clients represent prizemoney held by HRI on behalf of clients and are available for withdrawal upon request. HRI has sufficient funds available to meet its obligations to clients. Funds available include cash at bank and listed and unlisted investments. Note 17 (B) sets out how HRI manages its group funding and liquidity positions.

Other creditors includes balances amounting to €0.699m at 31 December 2021 (2020: €0.421m) deducted from Trainers' prizemoney accounts in respect of a Stable Employees Pension Plan and a contribution payable to the Exchequer of Nil at 31 December 2021 (2020: €1.000m) in respect of sale of lands at Ballyogan, Dublin 18.

Taxation creditors is split as follows:	2021	2020
	€'000	€'000
Group		
PAYE	113	8
PRSI	41	28
VAT	153	71
Other taxes	251	99
	558	206
Horse Racing Ireland		
PAYE	89	-
PRSI	23	22
VAT	50	47
Other taxes	34	31
	196	100

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. Creditors: Amounts falling due after more than one year	2021	2020
	€'000	€'000
Group		
Bank loans (Note 25)	20,250	24,500
Deferred income	16	17
Amounts due to leasee	831	1,049
	<u>21,097</u>	<u>25,566</u>
Horse Racing Ireland		
Bank loans (Note 25)	20,250	24,500
Amounts due to leasee	831	1,049
	<u>21,081</u>	<u>25,549</u>
25. Bank loans	2021	2020
	€'000	€'000
Group		
Repayable within 1 year	-	250
Repayable within 2 to 5 years	18,250	22,500
Repayable after 5 years	2,000	2,000
	<u>20,250</u>	<u>24,750</u>
Horse Racing Ireland		
Repayable within 1 year	-	250
Repayable within 2 to 5 years	18,250	22,500
Repayable after 5 years	2,000	2,000
	<u>20,250</u>	<u>24,750</u>

Following receipt of approval from the Minister for Finance in December 2015, HRI entered into a €25m loan facility in 2016 with Ulster Bank to enable the funding of a capital development programme. The loan is unsecured and a variable interest rate, based on Euribor, applies to any drawings. As at 31 December 2021, this has been fully drawn down and repayable over the subsequent seven years. The weighted average interest rate during the financial year was 1.75% (2020: 1.75%).

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. Provision for liabilities	2021	2020
	€'000	€'000
Deferred taxation		
At 1 January	1,079	1,477
Charge to Statement of Income and Expenditure	(4)	(398)
At 31 December	1,075	1,079
Components of deferred taxation		
Valuation of investment properties	753	752
Accelerated capital allowances	322	327
Losses carried forward	-	-
	1,075	1,079

27. Financial instruments

The carrying values of the Group's financial assets and liabilities are summarised by category below:

	Horse Racing Ireland		Group	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Financial assets				
<i>Measured at fair value through profit or loss</i>				
Listed investments (Note 17)	20,771	18,420	20,771	18,420
Unlisted investments (Note 17)	15,000	-	15,000	-
Loans to racecourses (Note 17)	759	896	759	896
Loans to associate undertakings (Note 17)	8,895	8,217	8,895	8,217
<i>Measured at cost less impairment</i>				
Investment in associate (Note 17)	16,614	16,614	-	-
Investment in racecourse (Note 17)	1	1	1	1
<i>Measured using the equity method</i>				
Investment in associate (Note 17)	-	-	15,344	16,614
<i>Measured at undiscounted amount receivable</i>				
Trade and other debtors (Note 20)	32,337	28,641	12,182	6,137
Cash at bank and in hand (Note 35)	4,554	7,047	11,840	12,890
Short term fixed deposits (Note 35)	10,704	21,647	10,711	21,654
	109,635	101,483	95,503	84,829
Financial liabilities				
<i>Measured at amortised cost</i>				
Bank loans (Note 25)	20,250	24,750	20,250	24,750
<i>Measured at undiscounted amount payable</i>				
Trade and other payables (Note 23)	49,122	43,437	55,678	46,338
	69,372	68,187	75,928	71,088

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. Financial instruments (continued)

The Group's income, expense, gains and losses in respect of financial instruments are summarised as follows:

	Horse Racing Ireland		Group	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Fair value (losses) / gains				
On financial assets (including listed investments) measured at fair value through profit or loss	(233)	718	(233)	718
Interest income and interest expense calculated using effective interest rate method				
Interest income on financial assets measured at amortised cost	111	642	111	642

28. Establishment reserve

The establishment reserve arose on the transfer of net assets from the Racing Board to the Irish Horseracing Authority on 1 December 1994 and on the transfer of net assets of the Irish Horseracing Authority to Horse Racing Ireland on 18 December 2001.

29. Reserves

Retained surplus include all cumulative gains and losses recognised in the Statement of Income and Expenditure. Revenue reserves at 31 December 2021 include €10.050m being the pension reserve cumulative amount charged through the Statement of Comprehensive Income (2020: €15.313m). Capital and restricted reserves of €3.730m represent capital reserves of €1.553m set aside to fund future capital development and Restricted reserves of €2.177m represent funds set aside for the development of Leopardstown Racecourse. These reserves will be released to revenue reserves on completion of such developments. Non-distributable reserves represent reserves which are non-distributable.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. Pension commitments

Horse Racing Ireland has established two pension schemes to provide pension benefits to its employees and former employees. Horse Racing Ireland established with effect from 1 May 2007 the Horse Racing Ireland and Racing Regulatory Body Superannuation Scheme 2007 ("the DB Scheme") which is a trust based defined benefit pension scheme and which holds contributions made towards benefits to be paid under the DB Scheme. In addition, Horse Racing Ireland established with effect from 25 February 1999 the Horse Racing Ireland & Racing Regulatory Body & Associated Companies Defined Contribution Employee Benefits Plan ("the DC Scheme") which is a trust based defined contribution pension scheme for new employees joining after 1 January 1999.

Defined Benefit Scheme (Horse Racing Ireland and Racing Regulatory Body Superannuation Scheme 2007)

- a) On 1 December 1994, the Irish Horseracing Authority took over the operation of the Racing Board's Defined Benefit Pension Scheme for permanent staff. Since 18 December 2001, this scheme continued to operate under Horse Racing Ireland until 30 April 2007. On 1 May 2002, at the point of transfer of employees from the Turf Club to Horse Racing Ireland, a Deed of Adherence between Horse Racing Ireland, Stewards of the Turf Club and Coyle Hamilton Trustees Limited (now Willis Towers Watson) was put in place allowing Horse Racing Ireland to be an adhering body to participate in the Turf Club of Ireland Pension Scheme (the Principal Employer) from that point until 30 April 2007.
- b) Until 1 May 2007, two schemes, the Racing Board's Defined Benefit Pension Scheme and the Turf Club of Ireland Pension Scheme, were in operation. At 1 May 2007, the two schemes merged into one scheme. All pension obligations from both the former Racing Board Scheme and the former Turf Club Scheme are now covered in the new merged DB Scheme.

The DB Scheme covers the employees involved in Integrity Services who are directly funded by Horse Racing Ireland under Horseracing Authority Act 1994, Section 42 while employed by the Turf Club. Total members at 31 December 2021 amounted to 137 (2020: 140). As the DB Scheme did not satisfy the statutory Funding Standard, governing pensions legislation required that a Funding Proposal to rectify this deficit be agreed and submitted to the Pensions Authority (formerly known as the Pensions Board). Following consultation with relevant stakeholders, a Funding Proposal over the period from 2013 to 2023 was agreed and subsequently approved by the Pensions Authority. Under the terms of the agreed Funding Proposal, the DB Scheme ceased to accrue retirement benefits with effect from 1 April 2013, and future retirement provisions for service after 1 April 2013 is on a defined contribution basis. As a measure to resolve the deficit in the DB Scheme, the employers (Horse Racing Ireland and the Turf Club), have committed, subject to the terms of the Funding Proposal, to make additional contributions over the funding proposal period to 2023.

With effect from 20 December 2018, the Turf Club ceased to participate in the DB Scheme and paid its final contribution of €835,000. This final payment was based on future contributions due under the funding proposal discounted at 4%. The rights and obligations of the Turf Club has been transferred to Horse Racing Ireland. As a result the assets and liabilities of the Scheme associated with the Turf Club have been transferred to Horse Racing Ireland. At the same date Curragh Racecourse Limited became an adhering employer to the Scheme.

- c) Total employer contributions in the DB Scheme made for the financial period ended 31 December 2021 were €1,481,000 (2020: €1,450,000). Future expected employer contributions in the DB Scheme are €1,525,000 for the financial year ended 31 December 2022.
- d) A comprehensive actuarial valuation was completed as at 31 December 2021 in order to determine the defined benefit obligation for the DB Scheme.
- e) The pension cost of the DB Scheme is assessed on an annual basis in accordance with the advice of qualified actuaries using the projected unit credit method. Liabilities relating to other employees of the Curragh Racecourse Limited are excluded in calculating the net pension liability disclosed underneath.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. Pension commitments (continued)

The principal financial assumptions for the DB Scheme used to calculate the retirement liabilities under FRS 102 as at 31 December 2021 were as follows:

Valuation method	Projected unit credit 2021	Projected unit credit 2020
Discount rate	1.30% p.a.	0.80% p.a.
Future pension increases	1.00% p.a. / 2.50% p.a.	1.00% p.a. / 2.50% p.a.
Future inflation	2.15% p.a.	1.30% p.a.
Statutory revaluation	2.50% p.a.	0.90% p.a.

		2021 Year	2020 Year
Mortality pre-retirement	Male	88% ILT + CSO improvements	88% ILT + CSO improvements
	Female	91% ILT + CSO improvements	91% ILT + CSO improvements
Mortality post-retirement	Male	88% ILT + CSO improvements	88% ILT + CSO improvements
	Female	91% ILT + CSO improvements	91% ILT + CSO improvements

The mortality basis explicitly allows for improvements in life expectancy over time so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The life expectancy for members attaining age 65 in 2021 and 2041 is detailed below:

Life expectancy at 65:

Current pensioners (currently aged 65) - male	21.9 years	21.8 years
Current pensioners (currently aged 65) - female	24.3 years	24.2 years
Future pensioners (currently aged 45) - male	24.2 years	24.1 years
Future pensioners (currently aged 45) - female	26.3 years	26.2 years

The asset distribution of the DB Scheme was as follows:

Class	Asset Distribution as percentage of total DB Scheme assets 31/12/2021	Asset Distribution as percentage of total DB Scheme assets 31/12/2020
Equities	24%	29%
Property	1%	4%
Fixed Interest	47%	34%
Absolute Return Funds	27%	31%
Cash	0%	1%
Insurance	1%	1%
Total	100%	100%

The DB Scheme's assets do not include property occupied by, or other assets used by Horse Racing Ireland.

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. Pension commitments (continued)

For accounting periods commencing on or after 1 January 2015, FRS17 is replaced by FRS102. FRS102 stipulates that the expected return on a scheme's assets is the discount rate. As such, the expected return on assets assumption for the DB Scheme for 2021 is 1.30%.

Analysis of the amounts charged to other finance expense before amounts deducted for Curragh / Others are as follows:	2021	2020
	€'000	€'000
Interest income on DB Scheme assets	396	556
Interest on DB Scheme liabilities	(452)	(652)
	<u>(56)</u>	<u>(96)</u>

During 2013 it was agreed that future accrual of retirement benefits would cease in the DB Scheme with effect from 31 March 2013. The accrued retirement benefits for active members, calculated at 1 April 2013, will be indexed each year up to retirement by means of Statutory Revaluation (as set out in governing pensions legislation), and the Actuary has advised that 0.90% per annum is the appropriate assumption as at this reporting date in this regard.

The amounts recognised in the Statement of Financial Position are as follows:	2021	2020
	€'000	€'000
Present value of wholly or partly funded DB Scheme liabilities	(51,966)	(58,674)
Fair value of DB Scheme assets	51,395	51,025
Total Deficit in DB Scheme at end of the financial year	<u>(571)</u>	<u>(7,649)</u>
Curragh Racecourse / Others deficit included in total deficit for the financial year	80	528
Net HRI liability recognised in the Statement of Financial Position	<u>(491)</u>	<u>(7,121)</u>

Changes in the present value of DB Scheme liabilities are as follows:	2021	2020
	€'000	€'000
Opening present value of DB Scheme liabilities	(58,674)	(57,901)
Current service cost	-	-
Interest cost	(452)	(652)
Contributions by DB Scheme participants	-	-
Actuarial (loss) / gain	(49)	637
Past service cost gain	-	-
Benefits paid	4,391	2,473
Changes in assumptions	2,818	(3,231)
Closing present value of DB Scheme liabilities	<u>(51,966)</u>	<u>(58,674)</u>

Changes in the fair value of DB Scheme assets are as follows:	2021	2020
	€'000	€'000
Opening fair value of DB Scheme assets	51,025	48,858
Interest income	396	556
Actuarial gain	2,884	2,634
Contributions by employer	1,481	1,450
Contributions by DB Scheme participants	-	-
Benefits paid	(4,391)	(2,473)
Closing fair value of DB Scheme assets	<u>51,395</u>	<u>51,025</u>

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30. Pension commitments (continued)

Analysis of the amount which is recognised in the Statement of Comprehensive Income is as follows:	2021	2020
	€'000	€'000
Curragh / Others actuarial gain / (loss) for the financial year	390	(66)
HRI actuarial gain for the financial year	5,263	106

The actual return on DB Scheme assets in 2021 was a gain of €3.280m (2020: gain of €3.190m). The total gains and losses recognised in the Statement of Comprehensive Income at 31 December 2021 for the period was a gain of €5.653m (2020: gain of €0.040m).

Amounts for the current and previous period are as follows:

Year ended 31 December	2021	2020
	€'000	€'000
Present value of DB Scheme liabilities	(51,966)	(58,674)
Fair value of DB Scheme assets	51,395	51,025
Deficit in the scheme	(571)	(7,649)

Year ended 31 December	2021	2020
	€'000	€'000
Net deficit in DB Scheme in relation to HRI and HRI funded Turf Club employees of the DB Scheme	(491)	(7,121)
Experience adjustment arising on		
- the DB Scheme liabilities	(49)	637
- the DB Scheme assets	2,884	2,634
- Changes in assumptions	2,818	(3,231)

Defined Contribution Scheme (Horse Racing Ireland & Racing Regulatory Body & Associated Companies Defined Contribution Employee Benefits Plan) / PRSA

- a) Horse Racing Ireland operates a defined contribution plan, the Horse Racing Ireland and Associated Companies Defined Employee Benefits Plan ("the DC Scheme") which is a trust based defined contribution pension plan. In addition, the DB Scheme ceased accruing benefits with effect from 31 March 2013 and all active members of the DB Scheme became active members in the DC Scheme with effect from 1 April 2013.
- b) At 31 December 2021, there were 176 active DC participants. Horse Racing Ireland also offers a PRSA to employees who are not eligible to join the DC Scheme.
- c) The pension contributions for the DC Scheme for the year ended 31 December 2021 were €0.823m (2020: €0.830m).

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. Non-controlling interest	2021	2020
	€'000	€'000
At beginning of financial year	17	16
Movement in the financial year	6	1
At end of financial year	23	17

The balance of non-controlling interest relates to the percentage of shareholdings which are not owned by the Group, as outlined in Note 40.

32. Capital and other commitments

Future capital and other expenditure committed by the Group but not provided for in these financial statements was as follows:

	2021	2020
	€'000	€'000
Group		
Authorised, but not contracted for	-	180
Contracted	3,177	2,371
Total	3,177	2,551

Horse Racing Ireland

Authorised, but not contracted for	-	180
Authorised, but not contracted for, to subsidiary undertakings	-	-
Contracted	1,552	1,574
Total	1,552	1,754

33. Lease commitments

Operating Leases - Lessee

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	€'000	€'000
Group		
Within one year	86	101
Between one and five years	78	147
After five years	-	-
	164	248
Horse Racing Ireland		
Within one year	55	62
Between one and five years	45	95
After five years	-	-
	100	157

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. Lease commitments (continued)

Operating Leases - Lessor

Total future minimum lease receipts under non-cancellable operating leases are as follows:

	2021	2020
	€'000	€'000
Group		
Within one year	1,188	1,188
Between one and five years	4,753	4,753
After five years	9,974	11,162
	<u>15,915</u>	<u>17,103</u>
Horse Racing Ireland		
Within one year	530	530
Between one and five years	2,119	2,119
After five years	6,647	7,177
	<u>9,296</u>	<u>9,826</u>

Significant leasing arrangements - Lessor

- The office building has a 25 year lease expiring in 2039. The next rent review is July 2024.
- The health and fitness club has a 35 year lease expiring in 2033. The next rent review is due in January 2023.
- There are two retail unit operating leases detailed as follows:
 - The first retail unit has a 10 year lease expiring in January 2028.
 - The second retail unit has a 16 year lease expiring in February 2032.

Significant leasing arrangements - Lessee

- A suite at the Curragh Racecourse has a 30 year lease expiring in 2049. The suite has been paid for in full upfront.

34. Reconciliation of Surplus for the financial year to net cash inflows / (outflows) from operating activities:

	2021	2020
	€'000	€'000
Surplus for the financial year before tax, exceptional item		
other finance expenses & associate undertakings	8,941	7,186
Interest receivable	(400)	(935)
Interest payable	433	445
Depreciation	5,134	4,202
Impairment loss	12	401
Exceptional items	(1,105)	9,350
Contribution to the Exchequer	-	(1,000)
Fair value movement of investment properties	(180)	1,469
Fair value movement on listed investments	140	(111)
Gain on disposal of assets	(20)	(10,358)
Loss on disposal of assets	-	126
Tax paid	(290)	(120)
(Increase) / Decrease in operating debtors	(5,664)	2,208
Increase / (Decrease) in operating creditors	9,013	(3,980)
Difference between pension charge and contribution	(1,419)	(1,390)
Net cash inflow from operating activities	<u>14,595</u>	<u>7,493</u>

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. Components of cash and cash equivalents	2021	2020
	€'000	€'000
Group		
Cash at bank and in hand	11,840	12,890
Short term fixed deposits	10,711	21,654
	22,551	34,544
Horse Racing Ireland		
Cash at bank and in hand	4,554	7,047
Short term fixed deposits	10,704	21,647
	15,258	28,694

36. Analysis of changes in net funds

	1 Jan 2021	Cash flows	31 Dec 2021
Cash and cash equivalents			
Cash at bank and in hand	12,890	(1,050)	11,840
Short term fixed deposits	21,654	(10,943)	10,711
	34,544	(11,993)	22,551
Borrowings			
Bank loans repayable within 1 year	(250)	250	-
Bank loans repayable after more than 1 year	(24,500)	4,250	(20,250)
	(24,750)	4,500	(20,250)
Total net funds	9,794	(7,493)	2,301

37. Related party transactions

In the normal course of business Horse Racing Ireland may enter into contractual arrangements with undertakings in which Board members have interests. The Board adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by Board members and these procedures were adhered to during the financial year. The Board complied with the Department of Public Expenditure and Reform guidelines covering situations of personal interest. In cases of potential conflict of interest, Board members did not participate in or attend any Board discussion relating to the matter.

Horse Racing Ireland has availed of the exemption afforded by paragraph 33.1A from the provisions of FRS 102 'related party transactions' from disclosing transactions with wholly owned subsidiaries (i.e. 100% owned). Navan Races Limited, The Tipperary Race Company Plc, The Leopardstown Club Limited and Fairyhouse Club Limited are all considered related parties because they are not wholly owned subsidiary undertakings.

Please refer to Note 3 for total remuneration and benefits paid to key management.

Subsidiary undertakings

Transactions in the financial year between Horse Racing Ireland and its non-wholly owned subsidiary undertakings included payroll and cost recharges of €3.577m (2020: €3.314m), bookmaker's fees of €0.035m (2020: €0.067m), sponsorship collected of €0.391m (2020: €0.477m), grants payable of €0.149m (2020: €1.314m), interest income of Nil (2020: €0.189m) and interest payable of €0.015m (2020: Nil).

During the financial year, Horse Racing Ireland received repayments on financial assets of €0.875m (2020: €0.200m) and issuance of financial assets of Nil (2020: €4.500m).

Associate undertakings

Transactions in the financial period between Horse Racing Ireland and its associate undertakings included payroll and cost recharges of €0.026m (2020: €0.024m), bookmakers fees of €0.009m (2020: Nil), sponsorship collected of €0.043m (2020: €0.017m), grants payable of Nil (2020: Nil), schools and gallops recharges of €0.260m (2020: €0.247m), training ground recharges of €1.262m (2020: €1.153m) and interest income of €0.020m (2020: €0.020m).

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. Related party transactions (continued)

As set out in Note 39 HRI has an equity investment of €23m at year end (2020: €23m) in CRL. As set out in Note 17 the carrying value of HRI Group's investment is €15.344m after taking account of HRI's share of losses in CRL to date.

In 2020, HRI entered into a €9.000m convertible loan agreement with CRL of which €7.590m has been transferred as at 31 December 2021.

Amounts due (to) / from related parties

At financial year end, the amounts due (to) / from related parties were as follows:

Related party name	2021 €'000	2020 €'000
The Tipperary Race Company Plc	(10)	(4)
The Leopardstown Club Limited	9,274	8,915
Navan Races Limited	5,621	5,907
Fairyhouse Club Limited	2,633	3,242
Curragh Racecourse Limited	9,316	8,297

38. Property

Horse Racing Ireland's main administrative office is located at the address defined on page 2 and is a freehold property.

39. Investment in Associate

HRI, the Turf Club and private investors established a company, Curragh Racecourse Limited (CRL) to facilitate the redevelopment and future operations of the Curragh racecourse. This company is incorporated in the Republic of Ireland. HRI total investment at 31 December 2021 is €23m (2020: €23m).

HRI provided grant funding of €12.5m towards the redevelopment under HRI's Racecourse Capital Development Scheme 2015 - 2019, €0.2m towards track works under HRI's Track Works Scheme 2018 - 2019 and €0.1m towards the installation of wifi at the racecourses under HRI's Wifi Scheme. These schemes were available to all racecourses. HRI also has a historic loan of €1.6m in relation to an earlier development. The remaining balance on this loan of €0.587m is disclosed as a financial asset as at 31 December 2021. The loan yields an interest rate of 1% and is scheduled to be fully repaid in 2027. In 2019, HRI provided CRL with a loan of €0.5m to fund necessary alterations to the parade ring which is disclosed as a short term debtor. The loan yields an interest rate of 3.25% and is to be repaid when sufficient working capital in CRL permits such repayment. Any amounts outstanding as at 31 March 2026 are required to be repaid in 5 equal annual repayments beginning in 2027. See Note 37 for further information on CRL.

In 2020, HRI entered into a €9.000m convertible loan agreement with CRL. As at 31 December 2021, €7.590m has been transferred to CRL. The maturity date on the loan is 31 January 2024 and interest is charged at 3.25%. Under the terms of the agreement if any outstanding amount at final repayment date shall convert into shares.

As at 31 December 2021, there were two classes of shares held by Horse Racing Ireland in CRL. HRI held 120,000 B1 (2020: 120,000) Ordinary Shares and 136,809 B2 (2020: 136,809) Ordinary Shares with a nominal value of €0.001 each. The B1 shares are fully paid up as at 31 December 2021 and represent 33.33% voting rights in CRL. The B2 shares represent 35.29% economic shares with no voting rights.

At 31 December 2021 the Group and company had interests in the following associates:

	% Held	Principal Activities
Curragh Racecourse Limited	35.29%	The provision of racecourse and racehorse training facilities and the facilitation of the redevelopment of the Curragh Racecourse

HORSE RACING IRELAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

40. Principal subsidiaries

Direct subsidiaries	% Held	Principal Activities
Tote Ireland Limited	100%	Operation of a totalisator at race meetings
Irish Thoroughbred Marketing Limited	100%	Promotion of the Irish Thoroughbred Horse
HRI Racecourses Limited	100%	Racecourse holding company, holding shares in indirect subsidiaries listed below
Tote Arena Limited	100%	Non-trading
Indirect Subsidiaries		
The Leopardstown Club Limited	99.97%	Holding of race meetings and ancillary activities and the operation of Leopardstown golf course
Navan Races Limited	99.58%	Holding of race meetings and ancillary activities
Cork Racecourse Limited	100%	Letting of land
The Tipperary Race Company Plc	97.56%	Holding of race meetings and ancillary activities
Fairyhouse Club Limited	99.94%	Holding of race meetings and ancillary activities

All the subsidiary companies are incorporated in the Republic of Ireland with their registered offices at Ballymany, The Curragh, Co. Kildare.

41. Contingent liabilities

The redevelopment project in our subsidiary, The Leopardstown Club Limited, is ongoing and there are customary outstanding contractor claims currently under review. While these claims are within normal forecasted levels, The Leopardstown Club Limited does not accept liability for them at this point.

While an application for judicial review initiated by an on-course bookmaker against an independent dispute resolution body and also Horse Racing Ireland was dismissed in 2019. Due to a delay in the perfection of the judgment involved, there remains the opportunity of an appeal against the decision. The financial effect of such an appeal, if any, cannot be reasonably ascertained at this time but would be limited.

42. Approval of financial statements

The Board of Horse Racing Ireland approved these financial statements for issue on 13/10/2022.



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