

BLOODSTOCK WORLD

Budget could be good news for industry

By Nancy Sexton

THERE could be ways for the bloodstock industry to take advantage of the measures outlined by chancellor George Osborne in his budget yesterday, according to bloodstock accountants.

The extension of the capital gains tax 'entrepreneurs' relief' rate of ten per cent from the first £2 million to the first £5m could also be attractive to people wishing to convert old farms into studs. The vendor would pay only ten per cent tax, accountant Julie Butler estimated.

"Anyone with a stud or equine business who has bought a property and done it up to sell for retirement would benefit by this attractive rate of relief."

She added that stud owners and trainers could take encouragement from the £21 rise in the threshold at which employers start to pay National Insurance per week, saying: "It would have to be beneficial for low-paid employees or part-time staff in the bloodstock industry."

On the other hand, spending cuts and tax rises could negatively impact consumer spending, especially luxury goods such as bloodstock.

Butler also warned that the rise in VAT from 17.5 per cent to 20 per cent has the potential to be destructive to owners unless all registrations for the Racehorse Owners' Scheme – under which owners can reclaim their outlay on VAT providing they gain sponsorship for their horse to be registered for VAT – are completed in time for the change on January 4 next year.



George Osborne: incentives for stud conversions

Terry Dockley, VAT director of equine accountancy James Cowper, said: "The VAT increase has less of an impact now than it would have had 17 years ago, before the Racehorse Owners' Scheme was set up. Only owners not prepared to register for that will be hurt, and I cannot see a downside to joining."

►►BROADFIELD Stud near Naas, which was owned by Averil Whitehead, the breeder of Indian Ridge, until her death in February, is likely to remain in Irish ownership after changing hands at auction yesterday.

The 147-acre stud initially failed to sell when bidding stopped at €2.75m during the auction, which was conducted by Goffs Country at Lawlors Hotel in Naas. However, Andrew Nolan of Goffs Country later confirmed it had been sold in a private transaction "at its market value" to an undisclosed Irish-based client.

"We had a packed auction room and there was interest from a lot of places, including a few representatives for overseas clients," said Nolan. "We were pleased with the price."