

Do you know how much it costs to run an event? **JOSEPHINE CARR** gives a rare insight into where the money goes thanks to being given unprecedented access to organisers' figures

RUNNING a horse trials is an expensive business. The majority of events hosting two days of competition have to generate revenues of between £35-45,000 to break even. Much of that cost is hidden from competitors, who are faced with increased entry fees but have little real knowledge of how their money is spent.

To help to open up the debate, four organisers on the British Event Organisers Association (BEOA) committee have agreed ➔

Balancing the books



WHAT'S IN THE COST

■ Somerley professional services includes: public address, treating vet and FEI vet, show jumping course-builder, controllers, human and horse ambulance and paramedics, farrier and trailrider score collectors.

■ Great Witchingham cross-country includes: 20 tons of limestone, 200 birch faggots, 30 sleepers, creosote, paint, half rounds, fixings, ply, course-building and preparation and flags.

■ Hutton in the Forest cross-country includes: 410 birch bundles, 180 spax screws, 56 portable fence hire and cross-country equipment hire, mileage and portable haulage expenses, gravel for water crossings, fuel, 375 flowers, 20litres of preservative, grass seed, and course-building and preparation.

Hutton in the Forest catering includes: 240 packed lunches, officials suppers, 180 marquee lunches, cash & carry catering supplies, other jump judge and officials catering, FEI GJ gifts and miscellaneous supplies.

■ Judges and officials includes: bed and breakfast for BE officials and others, judges and officials' mileage, show jumping course-builders and judges.

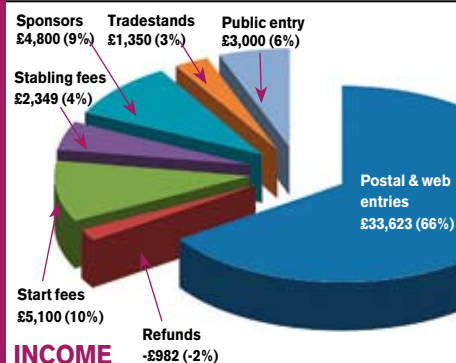
■ Equipment includes: generators, tractor hire, show jump hire, loo hire, signs and rope.

■ Office expenses includes: promotion, audit, bank charges, entries secretary, internet facilities, rosettes, post, telephone and stationery.

HUTTON IN THE FOREST 15-16 June 2008

Event runs on a stately home site in Cumbria

Income: £49,240
Expenditure: £48,882
Profit: £358

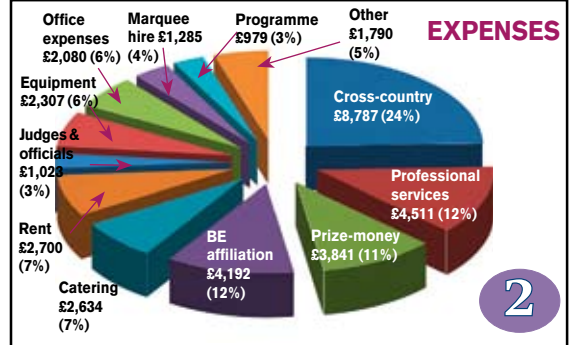
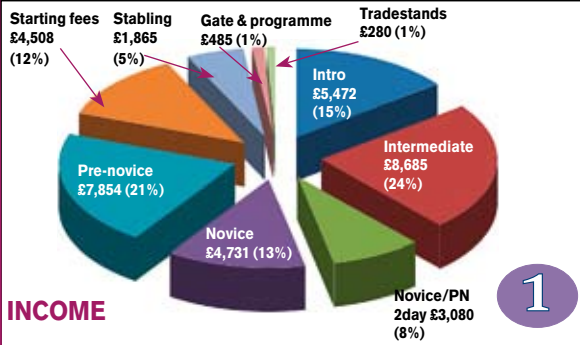


■ Each event is different and has its own approach to running the competition. Obvious differences include building a permanent course, such as at Great Witchingham, or investing in portable fences, as at Hutton in the Forest. Some organisers have family and friends who assist with the catering. Some, such as Mount Ballan, do not need to hire marquees and loos as they are permanently on site. One thing that becomes clear, however, is that the

GREAT WITCHINGHAM
12-13 July 2008

Event runs on the organiser's own site in Norfolk

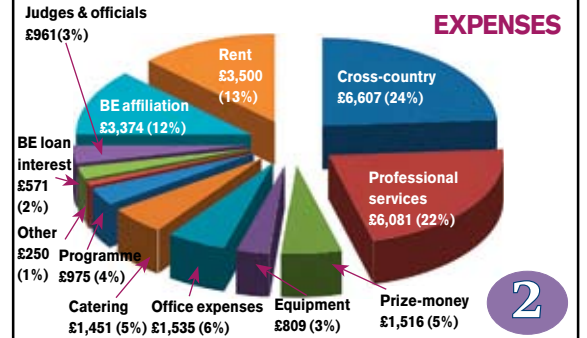
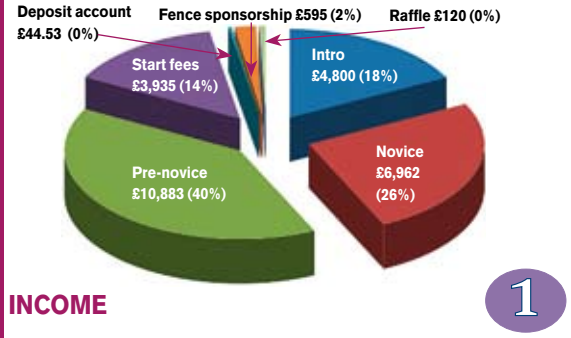
Income: £36,928
Expenditure: £36,129
Profit: £799



MOUNT BALLAN
18-19 October

Runs at an equestrian centre late in the year with short days

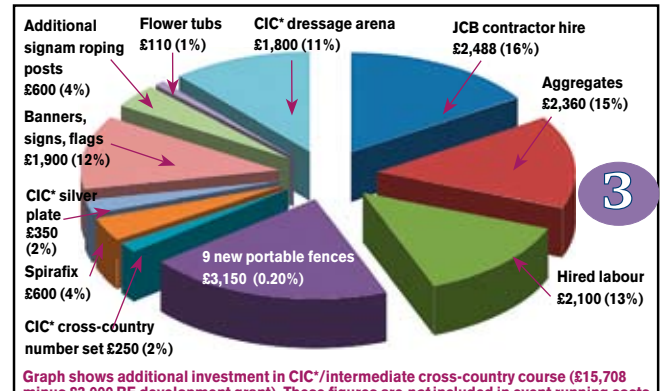
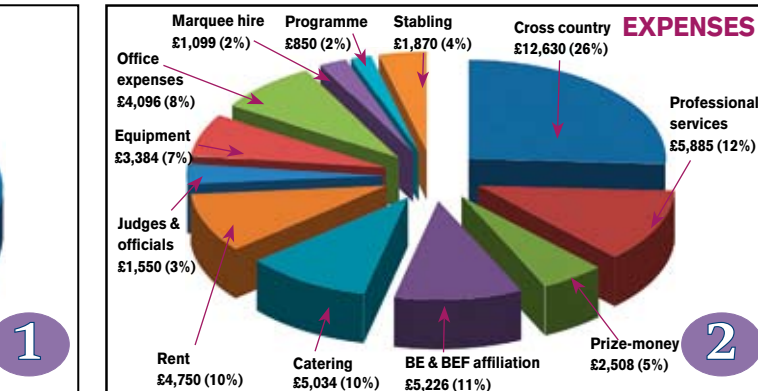
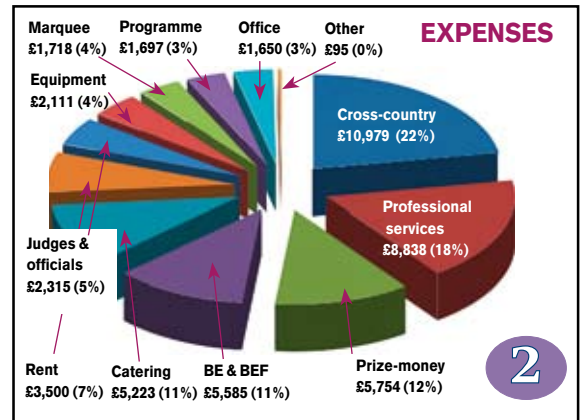
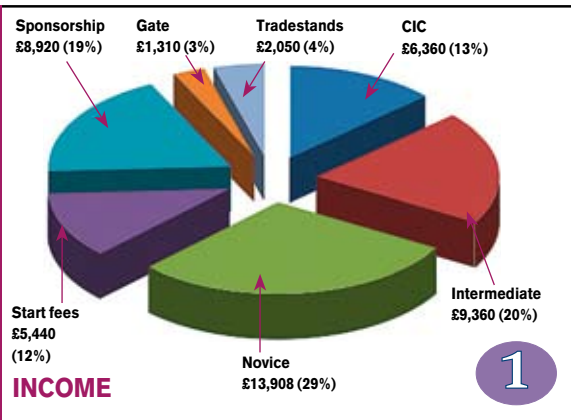
Income: £27,340
Expenditure: £27,631
Loss: £292 (plus £6,000 debt — 50% BE, 50% organiser)



SOMERLEY PARK
25-26 March 2008

Event runs on a rented stately home site in Hampshire on short days early in the season

Income: £47,348
Expenditure: £49,465
Loss: £2,117



WHERE THE MONEY GOES

percentages for the main cost, the cross-country course, are very close for all four events, being from 22% to 26%.

■ All of the events detailed – in Wales, Norfolk, Cumbria and Hampshire – could be regarded as relatively peripheral. Three are on rented sites. The one on a site owned by the organiser, Great Witchingham, immediately shows how much more

profitable that option can be, with the opportunity to run multiple events, including affiliated and unaffiliated, over the courses and to negotiate annual sponsorship deals, for example. The event made a small profit without accounting for sponsorship while the other three either lost money (Mount Ballan and Somerley Park), or made a very small profit (Hutton in the Forest), even with sponsorship.

Hutton in the Forest also invested an additional £12,708, plus a £3,000 BE development grant, in building its CIC* / intermediate course.

Organiser Douglas Weymouth says: "I think the capital situation is the weakest point in the structure of the sport. BE invests next to nothing in the infrastructure that will win us gold medals, and the return for organisers is so small."

to the publication of their accounts in *Eventing*. The events, Mount Ballan, Somerley Park, Great Witchingham and Hutton in the Forest, cover the range of levels from intro to international, and what it costs to run them gives a rare insight into the business of event organising.

Perhaps the biggest shock to competitors will be the news that their entry fee alone is usually not enough to pay the bills.

Organisers carry the can

The key point is that every event is its own business. Some competitors think that British Eventing in some ways finances and carries the risk for the 198 events run across the country. It does not. The organisers take all the risk. If the event loses money British Eventing will still want its levy and all the loss will fall on the organiser.

BE has had its own taste of losing money in the event business. This year it only owns two events Burghley and Blenheim. In 2005 its other – now defunct – event, Windsor, showed graphically how quickly the costs can run out of control when it made a spectacular loss of £130,000.

The 198 non-BE owned events nationally generate a multi-million pound turnover. Arthur Stevens, BEOA committee member and organiser of Powderham Castle, says: “In the trading year 2008 the group of 147 businesses required in excess of 60,000

volunteers and specialists for the 198 events and 93,874 customers entered resulting in 73,507 starting the dressage. In monetary terms the group handled in the region of £5.6m in entry fees.”

Essential sponsorship

This year is set to throw into sharp relief the fact that many horse trials are not economic without sponsorship. This is aside from the fact that events are heavily subsidised by the time donated by organisers and volunteers.

For several organisers the prospect of endeavouring to raise the large amounts of money required to run an event as we move into a recession has already proved too much.

Already the eventing world has said goodbye to Henbury Hall, Thirlstane Castle, Salperton, Rolleston and a number of other lower level events, with rumours of other horse trials close to the edge.

Not all of these are leaving the calendar for purely

financial reasons, but Salperton has made it clear that its decision is all about sponsorship. After learning that some of its local sponsors would be pulling out, joint-organiser Chantelle Souness told *Horse & Hound*: “We don’t make any money from the event – we’ve had years of losing money – and after doing all the figures if we run it this year we are going to lose an absolute fortune. We could run the event at a lower standard but we don’t want to do that. We take pride

‘You take pride in [organising an event]... and perhaps you hope one day it might make money’

ADELE SCHARDT

WHO TAKES THE RISK?

QUITE simply each and every organiser carries the full financial risk of running an event, not BE. By affiliating with British Eventing an organiser benefits from public liability insurance, cancellation insurance, trained BE personnel, steward, technical adviser and scorer, promotion of the event to members, special classes and a system of qualifiers which attract entries.

In return the organiser pays British Eventing an affiliation fee plus event fee based on the number of starters. Firlie Place, for example, paid BE a total of £4,305 in 2008, Somerley Park paid £4,875, Great Witchingham £4,192, Hutton £4,376 and Mount Ballan £3,374.

If the event loses money, the whole loss falls on the organiser. British Eventing is neither responsible nor liable for any losses. If the event has run, BE will still want its levy even if the organiser has lost money.

in our course and the way we do things.” The obvious question is why Salperton’s organisers, along with many others, run events when they make nothing out of it, or when some even make a loss.

Most BE event organisers want to run at a high standard. That standard is also required by the *Rule Book* and their continued affiliation is dependent on delivering a good quality event. But it is often more personal than that. Somerley Park organiser Adele Schardt, who is also chairman of the BEOA, ➔



says: "It is very hard to say why we do it. Perhaps you start by wanting to put something back into the sport. And then it just takes you over. You take pride in it and you want it to succeed. And perhaps you hope that one day it might make money and pay you back."

Looking to cut costs

The figures for individual events (see page 14-15) show how each one is different. Some run on the longest days and can run seven big sections in one day. Some run in March or October and struggle to put through six sections. Some do better deals on certain services than others.

But they all also show how an event just eats money. The vast majority of organisers spend a lot of their time looking to cut costs and saying no to possible expenditure. If they don't, as Windsor showed, costs can rapidly run out of control.

Adele Schardt says: "The more you can do yourself the more money you can save. Last year I used show jumping posts I can bang in myself and light rope, which saved £300 for a tractor and post banger. To spend the majority of one's time negotiating with contractors to pay less is not always pleasant."

Mount Ballan runs in October and struggles to break even with very little income except its entry money. In 2008 it lost money and it still owes £3,000 to BE in the form of a loan with interest as well as £3,000 (in the form of an interest-free loan) to Diana Bown, the organiser and BE board member.

Diana comments: "This year I will be lucky to have £2,000 in the bank. I do not take any expenses for phone bills, etc, and neither does the committee. My rent for the venue for two days was £3,500 and it is only possible to run six sections per day in October. That is at least 80 less horses than can run in the summer months, plus we pay VAT on all the bills."

If those 80 horses over two days average £60 including start fee then that equates to a reduction in possible income of £4,800, but Diana's costs are the same as those of a summer event.

Competitors, unless they volunteer themselves, may not realise how vital it is to invest in keeping all the volunteers and officials well and regularly refreshed. Just driving around looking after the fence judges is a full time job for at least two people. Arthur Stevens says: "For each event to actually run, they call upon more than one hundred and fifty volunteers per day and in addition a team of specialists, such as vets, doctors, paramedics, controllers, judges, etc, all of whom are required to be fed and, in some cases, accommodated and paid travel expenses."

Somerley Park spent £2,314 on officials and judges' expenses and £440 providing bed and breakfast accommodation, plus £4,133 in fees to its vets, paramedics and

ambulances, doctors, horse ambulance, trail riders score collectors and farrier.

Hutton in the Forest has bigger classes and better sponsorship, tradestand revenue and gate money. However, along with the increased course-building costs, servicing those additional sources of revenue costs time and money.

Organiser Douglas Weymouth spends £5,034 just looking after his army of officials and volunteers, including the FEI vet, FEI technical delegate, the three-member ground jury, the BE technical adviser, steward and scorer. The FEI took £850 just to affiliate the international class.

To add new intermediate and CIC classes at Hutton Douglas also invested £12,708 capital in the event after deducting a BE grant of £3,000.

Douglas says: "The small surplus and the capital figures are of course key to understanding the commitment made by organisers within our sport. I basically came away with £350 having spent £13,000 of capital. Madness."

The annual cost of producing the cross-country course, including all the flagging, trees, painting, creosoting, mending or adding new fences and putting down take-offs and landings at all four events took, on average, a quarter of their income. If the equivoir is needed for hard ground it can be hired from BE for £150. But the tractor and driver needed to crawl around each course will cost between £20-25 an hour for at least two days.

Sites that are owned by the organiser may be able to deliver an annual profit. That includes equestrian centres and farms looking to diversify which have permanent facilities where the course is built by the organiser and they can run multiple events and generate schooling income year round.

However, to offset this, permanent sites usually run a lot of the volunteer work with paid staff and take the depreciation on the capital costs of building the courses against other income, as at Great Witchingham.

Where the organiser can provide labour that would otherwise have to be bought in, there is also a wage to be made. At Hutton in the Forest Douglas Weymouth is also the course-builder. Great Witchingham generated a total revenue of £36,928 (without taking into account the annual sponsorship deals, which cover all the affiliated and unaffiliated events run on site). The event made a profit of £799, but organiser David Sayer doubles up as the course-builder. He also owns the site and the event pays him a market rent of £2,700.

"Long term the event is only viable because we are landowners and course-builders," he explains.

The other types of events that can be viable are those that run for charity or the local

hunt where labour, services and materials are donated; those that diversify and run other attractions, such as Firle Place's country fair, or the important international events that can attract large crowds and big sponsors. However, the latter two dramatically increase their costs and their financial risk if it rains or they have to cancel.

Why the entry fee hike?

The 6% increase in entry fees for 2009 (after deducting the abandonment insurance) has been controversial in these straightened economic times, but in reality the BEOA went to BE to ask for the increase to get organisers back to where they were two years ago in real terms.

Douglas Weymouth says: "For a pre-novice entry in 2008 organisers actually received £44.60, having had £3.40 deducted in levies and charges. In 2009, net intro and pre-novice fees will be

£47.52, ie £52.80 less 10% or £5.28 in levies and charges. Organisers therefore have the 6% increase requested." He adds, however, that given inflation rates between mid-2007 and mid-2009 all that BE has managed to do is keep up with the Retail Price Index and organisers have not gained in entry fee income.

BE's chief executive Mike Etherington-Smith obviously believes that it is important that events are viable. "If there are no events there is no sport," he says. "Entry fees for the last two years have been flat. We have upped the entry fee at the request of organisers."

The vital question facing everyone in the sport is whether it is possible to secure the financial viability of the wide range of events enjoyed the length and breadth of the country from March to October. More to the point, can this be done without placing too big a burden on any one part?

The future health of the sport depends on organisers getting something for their dedication to their events or, at the very least, not losing their own money. If events struggle to be viable, who will continue to take the risk when current organisers retire?

Adele Schardt says: "It's not all doom and gloom. The BEOA is working with BE to see whether there are ways to assist those events that run in the spring and autumn, as well as those peripheral events which cannot pump through large numbers of competitors. Perhaps there should be an adjustment in the event fee so that the more vulnerable events pay BE less. There is also a large pool of very stubborn organisers who will not easily give up."

Mike Etherington-Smith comments: "This year we are reviewing event fees and viability. If we can reduce costs to organisers that would be good news. If we can reduce the cost of membership that would also be good news." ■

■ Josephine Carr is the organiser of Firle Place horse trials and a member of the committee of the British Event Organisers Association (BEOA).

'I basically came away with £350 having spent £13,000 of capital. Madness'
DOUGLAS WEYMOUTH

'Long term the event is only viable because we are landowners and course-builders'

DAVID SAYER