

MINUTES of the Other Cinema's COUNCIL OF MANAGEMENT MEETING
held on May 10th 1976 at Little Newport Street.

Present: Nick, Steve, Patsy, Tony, Peter Sylveire, Mary, Dave,
Paul, Marc, Susan, Charles.

In attendance: Geoffrey Lander (from Nabarro Nathanson)

Apologies: Laura, Peter Sainsbury, Lynda, James, Nigel.

1. Latest on cinema:

At a meeting with Leighton (NCP's managing director) the rent free period had been extended to June 24th. Building was estimated to require 10-12 weeks and could start in 7-14 days. If building started in the week commencing May 24th, the cinema could open beginning to middle August and we would have had to pay rent for 6 to 8 weeks prior to opening.

As NCP no longer required guarantors, TOC itself was to guarantee. Geoffrey Lander from Nabarro Nathanson was present to put us at some ease over this. He said that in the event of bankruptcy the liquidator whose duty is to do his best for the creditors, wouldn't disclaim the lease if he could sell it. If nobody else wanted the cinema and provided that the landlord didn't think it had gone bust through bad management, he would call on us to take the lease for remainder of five years. What assets did TOC have? TOC could go into liquidation. Could we guarantee knowing we haven't any money? Geoffrey said we could and in any case NCP have requested we do it. Were our prints assets? Geoffrey said there was nothing to stop us from setting up another company or two, leaving TOC as an administrative shell. Anytime there is the slightest problem we just take out everything from the charity. TOC's charitable status means (1) can receive donations (2) don't pay tax on profit (both exhibition and distribution companies if set up would covenant profits to it) (3) rates relief. The charity would be 100% shareholder in both companies. As extra companies could be set up at short notice it was thought that a distribution company was unnecessary at this stage. The directorate of any companies set up can do anything we allowed it to do. Strictly speaking the companies can't do anything the charity doesn't want them to. If the exhibition or distribution companies go bankrupt this wouldn't effect the charity directly. However if the exhibition company went bust, the liquidator disclaimed the lease, and NCP sued the charity, then we could lose it but retain charitable status.(?) Geoffrey suggested that Nick shouldn't take the responsibility for the decision to sign the lease as he had taken the burden so far, and it was time the rest of us took on the responsibility. The charity would delegate the day to day running of the cinema to the directorate and could instruct it through Nabarro Nathanson. Shareholders' meetings required 21 days notice so if shareholders delegate little the organisation was likely to be unwieldy.

Marc wanted to know how much money we knew we would have when signing the lease. £37,521.64 had been raised (assuming the whole of the BFI grant), of which £3,000 had been paid back to distribution. Fund raising including all wages and expenses had cost about £8,000. This meant there was £16,000 + BFI grant (which never goes into the bank). Marc wanted a breakdown of costs so far to see how much TOC distribution and exhibition had spent, to find out how film makers royalties could be effected. At moment of signing lease we had to start an account with £15,000 plus £2,500 for the first quarter's rent. This meant a £1,500 loan straight away (out of the £10,000 loan we should be getting). Marc thought that the economics should be spelt out at our seminars. Not taking into

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account further fund raising we'd have to start with £5,500 of our ~~loan~~ and this would not include anything for new prints. Nick thought there could be as much fund raising potential as we've had already. There was obviously a risk element here, especially as the cinema's success could not be predicted either. George Walker's building company's assessment of building costs had suggested our figures were too low by half. But our architect had managed to produce tenders contradicting at every point. When a contract is tendered there is usually a clause allowing for changes in costs of materials. Geoffrey said that it was possible we had n't enough money; we would be spending £2,500 on signing the lease, and again on September 29th plus insurance too. We needed to know exactly how much money we would have spare assuming no one comes to the cinema. What about our projected overheads? It would be desirable to have penalty clause with the builders so that if they took longer than planned we could claim at least the rent and even loss of income. What would happen to seats and projectors if we had to pull out? During negotiations Leighton had intimated that in this event at least he'd have a fully-equipped cinema. The BFI will write off cost of £15,000 over period but will have lien on fittings. Worried landlord would waiver rights to reinstate and instead claim on fixtures and fittings (which would include seats and projectors). Geoffrey said something about contents being by letter under clause of lease waiving rights to allow us to make alterations.?? Nick asked who should borrow money - charity or exhibitions? If guarantors didn't mind it might be best to give to distribution. Then if exhibition went bust there would still be facility to borrow for another venture. If loan was given to exhibition then guarantors would be creditors. However the guarantors might well prefer it to be for the cinema. Something was said about a specific clause for channelling money between companies and stipendtures. Geoffrey said it would be better to get guarantee on rent.(!) It wouldn't be usable for loan facility but could provide useful get out for future. The first priority now however seemed to be a loan facility. A lot of effort had to go back into fund raising.

2. Design:

Pete and Steve wanted the £1,500 allocated for the interior of the cinema to go up to £2,000, as the original figure didn't include seating or catering equipment. Furnishing hadn't been budgeted - as something we hopefully won't have to pay for until we've raised money. Need for 100-200 stacking chairs, trestle tables. What was the capacity of the club space? Nick said stacking chairs fall down from the point of view of creating an informal social situation. If people want to get round tables maybe benches wouldn't be so good.

3. Meetings:

In the light of the first few NFT 3 seminars, Nick proposed that we should present more concrete proposals if possible. So far it had been too much a case of people expecting to hear our plans, and us expecting too much from them. As the secondary education seminar fell in whitsun week when schools are off it was decided to swop it with higher education. Nick suggested that further education (liberal studies depts and technical colleges etc) should be include in secondary education or in a separate meeting. The higher education seminar would be mainly about liaising with universities from point of view of academic study and bringing in people to arrange programs. Tony pointed out that technical colleges' age range was 15 upwards anyway.

NEXT MEETING MONDAY JUNE 7TH 1976 AT LITTLE NEWPORT STREET AT 7PM