

Present: Laura, Marc, Susan, Nick, Tony, Peter Sains, Peter Sylv,
Geoffry Lander

Apologies: Charles, Paul, Steve, Dave, Nigel, Linda, James.

The council asked Geoffry Lander of Nabarro Nathanson what it could cost to get out of cinema lease. He outlined four options:

1. We could agree with the landlord to break the lease. NCP wouldn't do this for nothing and would probably want one year's rent plus legal and agents costs as compensation.

2. We could sell the lease for a premium. This didn't seem a reasonable option, because if the property was that leasy to let, why had NCP been negotiating with us for so long. It would also be costly because there would be legal and agents fees and the buildikng work would have to be completed.

3. We could underlet the property, i.e. hold the lease ourselves and sub-let the property at a higher rent. This wouldn't be very easy and would still leave us liable for rent if our tennants defaulted.

4. We could apply to the Council to use the property for something else. Geoffry pointed out another problem was that since we raised money to build a cinema, it would be very embarassing to have to use it to pay off our 'mistake'. The other question put to his was, assuming that exhibition was a disaster, how could we protect the distribution. He said it was a matter of how much NCP thought distribution was worth. He wasn't so sure that NCP didn't agree to take TOC as a guarantor of the lease only as a gesture, and pointed out that it might be in NCP's interests to allow distribution to continue rather than liquidating (in the event of bankrupcy) in order to realise some of the debt in the future. Tony asked whether putting the distribution into another company would save the films or the royalty money in the event of bankrupcy. Geoffry said it might guve us some time, but ultimately wouldn't achieve much. In the event of bankrupcy, the first creditors would be Inland Revenue, NCP, and then any debenture holders. Tony asked if there was any point in putting the loans to the distribution into a debenture. Geoffry said that it was a good point, but it might affect the charitable status. He also pointed out that since exhibition would have no assets (the equipment goes back to the BFI by contract) there wouldn't be much to be gained. Peter Sains. asked if there was some point at which the Board of Directors of the cinema or the Council of Management was lexgally responsible or culpa ble to NCP for guaranteeing a lease which they couldn't really guarantee. Geoffry said no. He thought at this stage there were two important things we had to know before deciding to go ahead :

- how much of a gate was needed to break even

- how much actual capital was still needed to open

Peter Sains agreed and said we wouldn't have come this far if we hadn't thought we could break even.

There was a discussion about taking up a rumoured offer from a French/Italian consortiym to rent the cinema two nights a week for their own films. There was some opposition to this idea, but it was decided that there was not much point discussing it until more facts were known.

Marc reiterated that we have to cut cinema operating costs to save money and that finding some money to put into a large opening publicity campaign was of utmost importance. Nick asked Geoffry if there was some way we could use some of the Swill group's money so they could get a return, without it actually being an investment. He said it would be too risky for the charity.

Nick reported that he ~~spent~~ the weekend with Jim Robertson who is preparing a financial report for our next meeting. Jim made two important points:

- there was a tendency to confuse the issues with starting off with a debt with the viability of the cinema.
 - our current costing of running the cinema seemed to be complete.
- Nick said Mim would be in London on July 12 and suggested having a council meeting with him then. He also announced there would be a meeting on Monday, July 5 at 4 p.m. at the cinema with the builder and architect.

Tony asked whether he could go ahead with processing the loans that have been arranged. Peter Sains. said we were not yet in any position to implicitly agree to go ahead, and it should wait until the results of the building report on Monday are known. This~~w~~ was agreed.

There was a discussion about fundraising and Tony suggested that we need a financial group to discuss sound investment of our money. Nick said that we needed some expertise because none of us understood figures. Marc said the council had to begin to understand and discuss the figures because ~~figures~~ figures were policy. Laura pointed out that we have meetings where we discuss everything superficially and don't really get into anything. We had sub-committees which didn't work - maybe we should have separate meetings to discuss things like finance. Marc said at the moment that it's only by coming to grips with finance we can come to grips with ~~policy~~ the issues. He suggested we have specific financial meetings once a fortnight. Nick argued that we need some kind of sub-committee to sort figures out and present alternatives to the council to debate. Laura agreed that given this moment of crisis, we need a large amount of financial backup in the short term. Peter Sylv. was worried that we were separating finance. Laura said there should be council meetings where the ideas of the financial committee would be discussed and argued. It was also agreed that our other committees should operate this way - i.e. programming, acquisition.

Geoffrey offered his observation that the council's ideal of collectivity held back its decision-making ability. Nick said he felt the ~~same~~, and wondered where the balance was between individual trust and total collectivity. He also felt weighted down with the responsibility of getting the cinema together. Peter Sylv. agreed that we had put all the responsibility onto Nick's shoulders and said we had to move towards more collective responsibility. Laura said our self-criticism must see that there are different ways of participating in the collective.

The idea of using filmmakers money to acquire prints was brought up and it was decided that this was a major issue and should be discussed in future at length.