

*Peter Westley*

*15.50*

*11/3/93*

2 March 1993



LONDON FILM AND VIDEO  
- DEVELOPMENT AGENCY -  
LIMITED

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Chris Parkinson Esq  
Gouldens  
22 Tudor Street  
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Dear Mr Parkinson,

### **LFVDA Lease Arrangements**

As we discussed over the telephone today, I am sending you a number of documents which relate to the proposed head lease which is being negotiated on our behalf by the British Film Institute, in relation to Grand Union House, Kentish Town Road, London NW1.

The documents enclosed include

1. Drafts Heads of Terms (not a very clean copy I am afraid)
2. Correspondence between BFI and Stickley & Kent (Sainsbury's agents)
3. Correspondence between LFVDA and BFI
4. Notes (2) by BFI on Grand Union House
5. Letter from Nicholson Graham & Jones (22 February 1993)
6. Note drafted by Rees Pollock re subsidiary company

As you will see, the BFI, advised by Nicholson Graham & Jones, has been negotiating a head-lease on behalf of the London Film & Video Development Agency with J Sainsbury's plc. The BFI have decided that, rather than take the head-lease themselves, they will guarantee LFVDA's performance under the terms of the lease to Sainsbury's. This guarantee is being drafted by Nicholson Graham & Jones.

The Board of the LFVDA, at its meeting on 23rd February 1993, was adamant that, notwithstanding the BFI's intention to make such a guarantee, it should obtain independent legal advice on the lease, the sub-tenancy arrangements (with London Video Access and the London Filmmakers' Co-operative, also being drafted by Nicholson Graham & Jones), and the guarantee. The Board has agreed that it should set up a subsidiary company, to be wholly owned by LFVDA (which is itself a registered charitable company), to handle all of the activities which

relate to the head-leaseholding arrangements.

You will appreciate that the Board of the LfVDA is being properly cautious about entering into this relationship, notwithstanding the BFI's current intentions towards the Agency, and their agreement to guarantee the lease. The LfVDA is wholly funded by the BFI, for the moment, in so far as its administrative and overhead and revenue granting activities are concerned. The BFI also provides over half the funding (approximately £62,000 in 1992/93) for London Filmmakers' Co-operative, and through LfVDA it provides approximately 25% (£51,000 in 1992/93) towards the running costs of London Video Access.

LfVDA has therefore asked the BFI to provide a guarantee that it intends to continue funding the LfVDA for its own overheads, and for those of the organisations which it funds (which, from 1993/94 onwards, will include the London Filmmakers' Co-operative), as well as the amounts which it plans to subsidise the head-lease and sub-tenancy arrangements by (see note from BFI - item 4). The BFI's current financial difficulties may make their agreement to any such guarantee very difficult; this provides the Agency with all the more reason for wishing to seek such a guarantee.

The LfVDA is a small, not for profit organisation, all be it with the solid support and the backing of the British Film Institute. I would like to ensure that my Board has the best possible legal advice on this matter, obtained either pro bono or as economically as possible.

I look forward very much to our meeting at your office on Thursday 4th March at 10.30am.

Yours sincerely,

David Powell  
Acting Executive

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