

Dear LFVDA Board of Directors

Re: Cinenova Assessment

We are writing in reference to the letter of offer sent to Cinenova on the 15th November, resulting from the year long Assessment. While we are very happy to have been offered an additional sum for this financial year of £1750 we have not agreed to the staff signing the contract as we have a number of queries that we would like to raise first.

As we are sure you are aware the Assessment process far from being the two meetings initially cited, actually continued for a full year and meant a lot of time and hard work for all those concerned. Nevertheless both the Management and staff of Cinenova found the process useful and the resulting Development Prospectus has already been put into action:

- Cinenova has recently sold films to both the BBC and Channel Four (the new red light zone)
- Cinenova is currently setting up sub-distribution deals for our new acquisitions in Finland and South Africa and the USA.
- Cinenova has considerably raised its profile in Europe through the Pandora Network which receives money from the Kaleidoscope fund
- Cinenova has attended a number of European Festivals and conferences (e.g. Feminale, Channels for Change, Cinewomen) where we have acquired work
- Cinenova has just received a grant from the Arts Council to strengthen our ties to present new British work to the Finnish Film Archive in Helsinki.
- Cinenova is currently working on a sponsorship deal with a san-pro company with free assistance from The Management Centre.
- Cinenova held a very successful conference at the ICA with guest speaker Debra Zimmerman (executive Director of Women Make Movies New York) on Women's Film Distribution. *- book sold out*

The points we would like to raise are as follows:

1. The emphasis of the Assessment process became placed entirely on the Development Prospectus. The strategies outlined in the paper are **in addition** to Cinenova's current range of activities and as such are based on an injection of cash. The letter talks of the need to meet our targets and yet the amount of money offered bears no relation to the Development Prospectus..
2. A great deal of research went into the figures and as you can see from Appendix Two had to be re-worked on three separate occasions at the request of Steve McIntyre. We were therefore surprised, given this emphasis, that Steve's letter of the 15th November, while mentioning that the Board passed this document, offers a figure of £1750 which bears no relation to the Development paper.
3. The letter also mentions that the Board felt that "...adherence to the targets...set...is critically important to the vitality of your work in the immediate future and perhaps to your existence in the longer term". While the Cinenova Board agrees that it is vital to meet targets set (and indeed our turnover is increasing) the targets in the Development

document related very specifically to projects that required a specific input of cash in order that they be successfully carried out.

4. On the 20 September 1994 Cinenova received a letter from Steve McIntyre asking Kate to present the figures in a different format. In the letter he included an example of how he wanted the figures to be laid out. Interestingly, he had already expressed in this example that in 95/6 and thereafter that Cinenova's revenue funding would increase to £28,000. In addition, there was a blank row titled Lfvda Supplementary which Kate was asked to use as the balancing figure against any deficit for the new income-generating activities - in other words this was the additional money Cinenova would need to implement the development plan. This was working on the worst-case scenario figures (see Appendices 1 and 2).

It is with these points in mind that we would like to know exactly where the figure of £1750 comes from and what part of the document that it relates to. We feel it is only fair given the amount of work that has gone into the paper and the Assessment that the final amount of money offered does bear some relation to the document.

We were led to believe

Put quite simply, given the length of the Assessment process and the emphasis on a short term injection of cash, we are concerned that the final letter of offer does not relate to the outcome of the Assessment i.e. the Development Prospectus that was passed by the Assessment Panel. This raises serious questions about the validity of the Assessment process itself and of the status of the Assessment Panel. Yet the letter of offer contains veiled threats of our continued existence if we don't reach targets. Given the recent history of Cinenova remarks of this kind are extremely worrying and we would like a clear indication of the intentions of Lfvda.

Yours sincerely

CINENOVA BOARD OF MANAGEMENT

Enc. Appendix One (Timetable of the Assessment)
Appendix Two (The three sets of reworked figures)

APPENDIX ONE

TIMETABLE OF THE CINENOVA ASSESSMENT

22 Nov 93	Letter	Informing Cinenova of the assessment. Work begun on composition of the panel "...I would imagine probably two meetings between yourselves and our 'team'..."
26th Jan 94	Letter	Confirming assessment panel and date of 1st meeting. 21st Feb 1994
21 Feb 94	Assessment Meeting 1 at LFVDA	First meeting with the assessment panel. Minutes sent out, some disagreement over their content. Cinenova replied 7th April voicing concerns. (Judith Higginbottom not present)
20th April 94	Assessment Meeting 2 at Cinenova	Very bumpy meeting, but an agreement was reached that Cinenova would prepare a development prospectus/ business plan to form the basis of the rest of the assessment. The aim of this paper clearly stated and agreed upon by the panel and Cinenova as to work on some income generating strategies that would require a short term injection of cash but which would become self-financing. This was in recognition of the fact that any significant increase in revenue funding would not be forthcoming.
27th April 94	Meeting with Steve McIntyre at Cinenova	Meeting to discuss the structure of the report.
29th June 94	Meeting with Steve McIntyre at LFVDA	To discuss how the report was going. Steve McIntyre was sent an interim copy. We received positive feedback. Figure of £20,000 over 2 years was mentioned by Steve McIntyre. This is therefore what the original figures were based on.

22 Aug 94	Assessment Meeting 3 at LFVDA	Discussion of the development prospectus. We received extremely positive feedback from the assessment. It was agreed by all present that the plan was realistic and achievable and all that remained was to agree. The assessment was closed and CN was told that we would meet with Steve McIntyre to discuss final figures. Kate was asked to make a separate application to LFVDA for equipment refurbishment and staff training and take this out of the Development prospectus along with the MIP application. This was agreed and done.
31 Aug 94	Figures meeting with SM at the ICA	A very brief meeting. £3000 additional revenue funding figure was mooted by Steve, and CN understood this to be in addition to the cash injection previously talked about on the assessment panel. Kate was asked to re-do the figures from the paper in a cash flow format showing best and worst case scenario for the afore mentioned cash injection. This was duly done.
20th Sep 94	Letter from SM	Having received figures this letter asked for them to be re-worked into income/expenditure accounts. This is the first letter to indicate that CN's revenue funding next year and on would be £28,000. The table also included a LFVDA supplementary column that Kate was asked to use as the balancing figure against any deficit for the strategies.
14th Oct 94	Meeting with SM at the Place Theatre	To discuss the third set of figures. SM was happy with them but suggested a few tweaks to the document and the figures. Particularly the tailing off of the LFVDA supplementary figure. This was duly done.
15th Nov 94	Letter from SM	Explains that the LFVDA exhibition sub-committee and the full Board ratified the CN paper. Offer of an additional £1750 for 94/94 and total revenue funding for next year of £28000.

APPENDIX TWO

SHEET1.XLS

Figures done following

5/19

AUG MEETINGS
AT THE ICA

	Oct-Dec 1994	Jan-Mar 1995	April-June 1995	July-Sept 1995	TOTAL
CinenoVA Development Figures					
File DF94/95					
Draft 1 13-09-94					
Best Case Scenario Year 1					
Strategy costs					
Regional Arts Boards	104.25	104.25	104.25	104.25	417.00
Festival Attendance	580.00	580.00	580.00		1740.00
Showcase Screenings	1012.12				1012.12
Regional Film Theatres	28.50	28.50	28.50	28.50	114.00
New Viewing Suite	500.00	500.00	500.00	500.00	2000.00
Fixed Contract admin asst.	1514.80	1514.80	1514.80	1514.80	6059.20
TOTAL	3739.67	2727.55	2727.55	2147.55	11342.32
Minimum Required Year 1					
Strategy costs					
Regional Arts Boards	75.00	75.00			150.00
Festival Attendance	290.00	290.00	290.00		870.00
Showcase Screenings	400.00				400.00
Regional Film Theatres					0.00
New Viewing Suite	375.00	375.00	375.00	375.00	1500.00
Fixed Contract admin asst.	1514.80	1514.80	1514.80	1514.80	6059.20
TOTAL	2654.80	2254.80	2179.80	1889.80	8979.20
Projected Income Year 1					
Regional Arts Boards		213.33	213.33	213.33	639.99
Festival Attendance		100.00	100.00	100.00	300.00
Showcase Screenings		333.00	333.00	333.00	999.00
Regional Film Theatres		300.00	300.00	300.00	900.00
New Viewing Suite	120.00	120.00	120.00	120.00	480.00
TOTAL	120.00	1066.33	1066.33	1066.33	3318.99
Best Scenario					
Balance b/f	0	-3619.67	-5280.89	-6942.11	-16851.73
Balance c/f	-3619.67	-5280.89	-6942.11	-8023.33	-23966.00
Minimum Scenario					
Balance b/f	0	-2534.80	-3723.27	-4836.74	-11135.61
Balance c/f	-2534.80	-3723.27	-4836.74	-5660.21	-16755.02

OKGUNA

1 2 3

INCOME	92/3	93/4	94/5	95/6	96/7
Core Income					
Sales	13882.00	18187.00	20587.00	22000.00	25000.00
Grants - BFI	37285.00				
LFVDA		24500.00	24500.00	28000.00	28000.00
LFVDA supplementary (1)			3381.60	2399.20	2719.20
Other					
Interest	164.00	148.00	140.00	140.00	140.00
Deferred Income	876.00	11184.00			
Sub-total	52207.00	54019.00	48608.60	52539.20	55859.20
New Project Income					800.00
RAB		320 → 212.00		800.00	1000.00
Festival Sales			100.00	500.00	500.00
Showcase Sales			333.00	600.00	600.00
RFT Hires			300.00	1000.00	1200.00
Viewing Suite Hire			240.00	500.00	500.00
Sub-total			1186.00	3400.00	3800.00
TOTAL INCOME	52207.00	54019.00	49794.60	55939.20	59659.20
EXPENDITURE					
Overheads					
Purchases	4074.00	6278.00	7200.00	7700.00	8500.00
Carriage	990.00	2006.00	2000.00	2600.00	3000.00
Expenses	1973.00	8536.00	1000.00	1500.00	2000.00
Rent	1921.00	1980.00	1980.00	1980.00	2000.00
Repairs/ Renewals	51.00	128.00	200.00	400.00	400.00
Wages	31987.00	16778.00	26600.00	26600.00	28000.00
Administration	5869.00	6324.00	5555.00	6000.00	6500.00
Depreciation	1297.00	1300.00			
Interest etc	566.00	380.00	350.00	350.00	350.00
sub-total	48728.00	43710.00	44885.00	47130.00	50750.00
Project Funding					
RAB			150.00	150.00	150.00
Festivals			580.00	700.00	800.00
Showcase Screening			400.00	400.00	400.00
RFT				1000.00	
Additional Rent			750.00	1500.00	1500.00
Staff			3029.60	6059.20	6059.20
sub-total			4909.60	8809.20	8909.20
TOTAL EXP	48728.00	43710.00	49794.60	55939.20	59659.20
TOTAL INCOME	52207.00	54019.00	49794.60	55939.20	59659.20
TOTAL EXP	48728.00	43710.00	49794.60	55939.20	59659.20
SURPLUS/DEFICIT	3479.00	10309.00	0.00	0.00	0.00

Festival Sales

0.453

←

←

SEE NOTES FOR EXPLANATION OF THIS FIGURE

(1) 4 no additional

INCOME	92/3	93/4	94/5	95/6	96/7
Core Income					
Sales	13882.00	18187.00	20587.00	22000.00	25000.00
Grants - BFI	37285.00				
LFVDA		24500.00	24500.00	28000.00	28000.00
LFVDA supplementary			3381.60	2399.20	2719.20
Other					
Interest	164.00	148.00	140.00	140.00	140.00
Deferred Income	876.00	11184.00			
Sub-total	52207.00	54019.00	48608.60	52539.20	55859.20
New Project Income					
RAB			213.00	800.00	1000.00
Festival Sales			100.00	500.00	500.00
Showcase Sales			333.00	600.00	600.00
RFT Hires			300.00	1000.00	1200.00
Viewing Suite Hire			240.00	500.00	500.00
Sub-total			1186.00	3400.00	3800.00
TOTAL INCOME	52207.00	54019.00	49794.60	55939.20	59659.20
EXPENDITURE					
Overheads					
Purchases	4074.00	6278.00	7200.00	7700.00	8500.00
Carriage	990.00	2006.00	2000.00	2600.00	3000.00
Expenses	1973.00	8536.00	1000.00	1500.00	2000.00
Rent	1921.00	1980.00	1980.00	1980.00	2000.00
Repairs/ Renewals	51.00	128.00	200.00	400.00	400.00
Wages	31987.00	16778.00	26600.00	26600.00	28000.00
Administration	5869.00	6324.00	5555.00	6000.00	6500.00
Depreciation	1297.00	1300.00			
Interest etc	566.00	380.00	350.00	350.00	350.00
sub-total	48728.00	43710.00	44885.00	47130.00	50750.00
Project Funding					
RAB			150.00	150.00	150.00
Festivals			580.00	700.00	800.00
Showcase Screening			400.00	400.00	400.00
RFT					
Additional Rent			750.00	1500.00	1500.00
Staff			3029.60	6059.20	6059.20
sub-total			4909.60	8809.20	8909.20
TOTAL EXP	48728.00	43710.00	49794.60	55939.20	59659.20
TOTAL INCOME	52207.00	54019.00	49794.60	55939.20	59659.20
TOTAL EXP	48728.00	43710.00	49794.60	55939.20	59659.20
SURPLUS/DEFICIT	3479.00	10309.00	0.00	0.00	0.00

SEE NOTES
FOR EXPLANATION OF THIS FIGURE

FIG.XLS

INCOME	92/3	93/4	94/5	95/6	96/7
			Year 1	Year 2	Year 3
Core Income					
Sales	13882.00	18187.00	21000.00	22000.00	26000.00
Grants - BFI	37285.00				
LFVDA		24500.00	24500.00	28000.00	28000.00
LFVDA supplementary			3176.60	2839.20	939.20
Other					
Interest	164.00	148.00	140.00	140.00	140.00
Deferred Income	876.00	11184.00			
Sub-total	52207.00	54019.00	48816.60	52979.20	55079.20
New Project Income					
RAB			320.00	800.00	800.00
Festival Sales			100.00	500.00	500.00
Showcase Sales			333.00	600.00	600.00
RFT Hires			300.00	1480.00	1200.00
Viewing Suite Hire			120.00	480.00	480.00
Sub-total			1173.00	3860.00	3580.00
TOTAL INCOME	52207.00	54019.00	49989.60	56839.20	58659.20
EXPENDITURE					
Overheads					
Purchases	4074.00	6278.00	7200.00	7700.00	8500.00
Carriage	990.00	2006.00	2000.00	2600.00	3000.00
Expenses	1973.00	8536.00	1000.00	1500.00	2000.00
Rent	1921.00	1980.00	1980.00	1980.00	2000.00
Repairs/ Renewals	51.00	128.00	200.00	400.00	400.00
Wages	31987.00	16778.00	26600.00	27000.00	27000.00
Administration	5869.00	6324.00	6000.00	6000.00	6500.00
Depreciation	1297.00	1300.00			
Interest etc	566.00	380.00	350.00	350.00	350.00
sub-total	48728.00	43710.00	45330.00	47530.00	49750.00
Project Funding					
RAB			150.00	150.00	150.00
Festivals			580.00	700.00	800.00
Showcase Screening			400.00	400.00	400.00
RFT				500.00	
Additional Rent			500.00	1500.00	1500.00
Staff			3029.60	6059.20	6059.20
sub-total			4659.60	9309.20	8909.20
TOTAL EXP	48728.00	43710.00	49989.60	56839.20	58659.20
TOTAL INCOME	52207.00	54019.00	49989.60	56839.20	58659.20
TOTAL EXP	48728.00	43710.00	49989.60	56839.20	58659.20
SURPLUS/DEFICIT	3479.00	10309.00	0.00	0.00	0.00