



Promoting Films By Women

Film & Video Distribution

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9 March 1993

Dear Stephen,

Further to your letter to us dated the 2 March, we are holding an emergency meeting of the Management Committee on Wednesday 10 March to discuss the ramifications of the drastic reduction in funding. In the meantime however we would like to make the following points to which we would welcome your comments.

Firstly, we cannot simply draw up another budget. Given the immensity of the cut we are facing in a budget which has very little "padding", where exactly are we supposed to find savings? The inescapable conclusion is that we are expected to cut staff days. We can maybe lose the "consultancy" days which would make life difficult, but reducing staffing any further would completely undermine our efficiency, our proactive marketing, the production of the catalogue, the establishment of a database, all of the activities we are undertaking to raise revenue. If we don't have (barely) adequate staffing we won't increase our revenue. Which in the crudest terms means that we are being condemned to death by slow starvation, as opposed to being beheaded. Presumably this must have been taken into account, when making the funding decision.

The questions we would like to ask are:

- what criteria were used to establish the proposed level of funding? Is it based on any staffing model, level of activity?
- what is the percentage cut being made to the other Distribution client, the London Filmmakers Coop?
- which colleagues in Distribution have been involved in the decision?
- what are the BFI's proposals with regard to our relationship with Glenbuck? Are we expected to continue to hand 30% of our revenue effectively straight back to the BFI?
- what is the possibility of additional money from the LFVDA, given that they may be taking over our funding. Does this preclude any top up money?

We would like to arrange a meeting as soon as possible to discuss these points, and the financial implications of the cut in revenue funding. We hope this can be sometime during the next week, as a period of uncertainty is the last thing we need, especially as bookings and sales are reaching an unprecedented high (in spite of the problems caused by the delayed Glenbuck move).

Yours sincerely

Gill Henderson Kate Norrish Liane Harris
for Cinenova