
Annual Review 2016



DACS

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04

About DACS

06

Supporting more artists and estates than ever before Gilane Tawadros, Chief Executive

09

Payback

11

Artist's Resale Right

13

Copyright Licensing and Artimage

15

Putting artists' futures first Mark Stephens CBE, Chair

16

Financial Report

20

Governance

21

Board of Directors

23

Code of Conduct

24

Company Information

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Lighthouse (south), 2011. Catherine Yass.
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DACS/Artimage 2017.
Commissioned by the De La Warr Pavilion.
Image courtesy Alison Jacques Gallery.



Catherine Yass in her studio.
Photo © Brian Benson, 2017.

“Just as I might pay someone for hiring a camera or a meal cooked in a café, thankfully DACS provides a way for me to get paid for the use of my work.”

Catherine Yass

Established by artists for artists, DACS is passionate about transforming the financial landscape for visual artists through innovative new products and services, and is proud to act as a trusted broker for 100,000 artists worldwide.

Founded over 30 years ago, DACS is a flagship organisation that campaigns for artists' rights, championing their sustained and vital contribution to the creative economy.

We collect and distribute royalties to visual artists and their estates through Artist's Resale Right, Copyright Licensing and Artimage and via Payback and Dutch Public Lending Right. You can find out more about these services over the next few pages.

In 2016, DACS distributed £14 million in royalties to a record 37,000 artists and artists' estates.

Find out more about what we do at dacs.org.uk.



Peter Kennard in his studio.
Photo © Brian Benson, 2017.

“With DACS, it’s an amazing thing to find an organisation that is there for artists and also respects the work of the artist.”

Peter Kennard

Supporting more artists and estates than ever before
Gilane Tawadros,
Chief Executive

DACS
Annual Review 2016

Over the past 30 years, DACS has paid out more than £100 million in royalties to artists and estates and we now represent over 100,000 artists and estates worldwide through our international network. In a period of political and economic uncertainty, DACS plays an increasingly pivotal role in providing the financial means for artists and estates to sustain themselves and contribute to British culture and society.

In 2016, 37,000 artists and artists' estates received a total of £14 million in royalties from DACS through Artist's Resale Right (ARR), Payback and Dutch Public Lending Right, Copyright Licensing and Artimage. This represents a 42% increase since 2015, in the number of artists and estates that we are now supporting through our services.

An important part of DACS' responsibility as a representative of thousands of artists and estates is to campaign for the rights of artists and ensure that policy makers and opinion formers recognise the critical contribution that artists and estates make to the wider economy and society as a whole.

In February 2016, we celebrated the 10th anniversary of the introduction of ARR in the UK and published a white paper which clearly demonstrates the significant cultural and economic value of ARR while representing less than 1% of the post-war and contemporary art market. Since ARR was introduced in 2006, DACS has paid out £56 million to 4,300 artists and

artists' estates. More than half of artists who receive ARR sell works for between €1,000 and €3,000, benefitting a large number of emerging and less established artists and estates.

Towards the end of the year, the negotiations over the future of collective licensing royalties, which DACS distributes via Payback, were resolved after a mediation between the Copyright Licensing Agency (CLA) and other visual representatives. DACS was instrumental in defending the interests of artists while ensuring that changes were introduced at a more gradual pace than initially proposed. DACS worked closely with individuals, trade organisations and picture libraries to communicate the impact of these new changes and introduce them as part of the Payback campaign which was launched in January 2017.

Our Copyright Licensing services continue to see an increase in revenues for artists and estates, particularly from international companies wishing to license artworks. Artimage, dedicated to

sourcing and licensing images of exceptional modern and contemporary art, marked its second anniversary and now showcases over 16,000 images from more than 150 international artists and six public and gallery collections.

DACS organised an extensive programme of events throughout 2016 addressing key issues which affect artists and estates including a number of workshops on copyright organised in partnership with the University of the Arts London, Space Studios, Makerhood and Vivid Projects in Birmingham. As part of Frieze week, DACS organised a special event in collaboration with Carroll / Fletcher gallery which explored the potential impact of blockchain technology on the way artists and consumers create, view, sell and purchase art.

Launched in April, DACS commissioned artist Anya Gallaccio and landscape architects del Buono Gazerwitz to create a living artwork permanently installed in the courtyard of DACS' office in Bethnal Green to celebrate the history and culture of East London. Inspired by the work of the Huguenot silk weaver and textile designer Anna Maria Garthwaite, the work recognises a long history of diverse migrant communities settling in London's east end and making it one of Europe's most vibrant cultural quarters.

In 2015, DACS supported the launch of DACS Foundation, a registered charity dedicated to promoting the visual arts for the public benefit by making grants, organising events and providing education and training. In 2016, DACS Foundation launched its flagship project, Art360, at a conference in collaboration with Goldsmiths, University of London. Art360 is a three-year project to develop and sustain the archives of 100 leading modern and contemporary artists and artists' estates from different generations and practices.

In these uncertain times, DACS remains more committed than ever to ensuring that artists, illustrators and photographers as well as artists' estates are able to contribute in a dynamic and productive way to British culture and society. To this end, we shall continue to find ways to address the challenges facing artists and estates both now and in the future.



Jamie Smart in his studio.
Photo © Brian Benson, 2017.

“I claim Payback, which is something every artist should get involved with. I create a lot of children’s books and the additional Payback royalty I receive from DACS really helps supplement my income.”

Jamie Smart

Our work on behalf of artists and estates

Payback

In 2016, a record 35,000 artists, estates and their representatives claimed a share of £5.5 million of Payback royalties.

Payback is an annual royalty scheme open to visual artists and estates for all types of published artwork, from fine art and photography to design and illustration. The royalties come from collective licences, which allow 'secondary reproductions' of artwork, such as photocopies of photographs in magazines and books or the repeat broadcast of TV programmes featuring artists' work. DACS receives a share of this revenue, which we pay to visual artists, estates and their representatives each year.

DACS has successfully run Payback for over 15 years, distributing over £45 million in total. Last year was an exceptional year for Payback which saw a 40% increase in the number of claimants compared with 2015, as we made technical improvements to our website to make it easier for representatives of claimants to upload their contributors' claims.

Payback 2016 was open for applications between July and September and royalties were paid to claimants in December. These royalty payments ranged from £25 to £4,125, with the median payment being £148.

At the end of the year, DACS, Copyright Licensing Agency (CLA), Authors' Licensing and Collecting Society (ALCS) and PICSEL reached an agreement about the future

division and distribution of CLA collective licensing revenues to visual rightsholders, from 2017 onwards.

This follows the valuation process in 2015 between all parties, which resulted in an increase of visual artists' share of CLA royalties from 8% to 8.7% and discussions about how these royalties should be allocated and distributed in response to the CLA's desire to implement a more data-led approach.

During the discussions, DACS highlighted the difficulties involved in the collection of retrospective data requested from rightsholders in visual works, which could have put many visual artists at a disadvantage. As a result, DACS was able to agree to a more gradual introduction of a system, that will focus more on matching claims to the CLA's database of photocopying and scanning data, while seeking to minimise any negative impact and burden on rightsholders in visual works.

DACS continues to work closely with our Payback members and partners to address the new changes and implement these into the future Payback campaigns from 2017 onwards.

Find out more at dacs.org.uk/for-artists/payback

Dutch Public Lending Right

In 2016, 300 artists and estates also received a share of over £114,000 of Dutch Public Lending Right (Dutch PLR) royalties from the Netherlands. In the Netherlands, public libraries pay a royalty to the Lending Right Foundation for books they loan to readers. Our Dutch sister society Pictoright distributes a share of these royalties to visual artists who are eligible for the scheme. DACS receives a share of these royalties from Pictoright, every year, to distribute to all types of eligible UK visual artists – including fine artists, illustrators and photographers.

Since DACS began distributing Dutch PLR royalties in 2014, regular claimants may have noticed a decrease in the royalties they have received year-on-year. Due to decreases in book-borrowing and the closure of libraries throughout the country, the revenues we receive from the Netherlands have been declining.

We are exploring opportunities to distribute PLR royalties from France, Germany, and Australia. We are currently in touch with our sister societies in these countries and we shall keep members updated on our progress of this work.

Find out more at dacs.org.uk/for-artists/payback/dutch-plr



William Pryor (Estate of Gwen Raverat).
Photo © Brian Benson, 2017.

“That artists and their heirs should receive a royalty when their work resells seems so natural. The notion that, as an artist, as soon as you’ve sold a painting, that’s the end of your relationship with it, seems just wrong. You can’t separate the work from the artist – it’s what I’m so passionate about with Gwen.”

William Pryor (Estate of Gwen Raverat)

Our work on behalf of artists and estates

Artist's Resale Right

In 2016 over 1,700 artists and estates received more than £9.2 million in Artist's Resale Right royalties. ARR also turned 10 in the UK and to date more than 4,300 artists and estates have received over £56 million in royalties from DACS.

The Artist's Resale Right (ARR) entitles artists and estates to a modest share of the sale price each time their work is resold via an auction house, art dealer or gallery for over €1,000.

We collect and distribute royalties to eligible artists and estates for sales taking place in the UK and also in Europe through our network of sister organisations, and we represent over 50,000 artists and estates in total.

In 2016, DACS joined artists and estates across the UK in celebrating the 10th anniversary of ARR and the critical role it plays in enabling artists to create new work and supporting artists' estates in managing an artist's legacy. Since ARR was introduced in the UK in 2006, DACS has paid more than £56 million to more than 4,300 artists and artists' estates.

As there is no formal enforcement of ARR, DACS began a campaign in 2015 to address the issue of art market professionals who had not been declaring their sales. By the end of 2016, DACS had successfully recovered over £568,000 in backdated royalties. Our campaign continues and we are actively pursuing those who are not declaring royalties and also working closely with artists and estates on cases where it is believed a resale royalty may be due.

Despite the UK's vote to leave the European Union, ARR remains part of UK law and will continue to apply unchanged. Over the past ten years, DACS has repeatedly demonstrated the vital role ARR plays in supporting the UK's thriving creative economy and our cultural heritage. We are closely monitoring and engaging in the political process, and we will continue to campaign to ensure artists' voices are heard across Government. To find out how to join in and support this campaign, please email communications@dacs.org.uk.

Find out more at dacs.org.uk/for-artists/artists-resale-right



Anne-Katrin Purkiss in her studio.
Photo © Brian Benson, 2017.

“DACs helps financially – by collecting and paying artists their royalties – and also by providing advice about copyright in a market that is changing very rapidly.”

Anne-Katrin Purkiss

Our work on behalf of artists and estates

Copyright Licensing and Artimage

In 2016, over £1.5 million of royalties were paid to over 1,300 visual artists and artists' estates through Copyright Licensing and Artimage.

For over 30 years, we have been a trusted broker for artists and estates, simplifying the licensing process on behalf of our members. DACS manages requests to reproduce our artist and estate members' works – everything from the price charged to the rights that should or shouldn't be granted.

Requests come in from a diverse range of customers including museums and galleries, publishers, auction houses, advertising agencies, production companies and games developers who want to use works by artists whom we represent. Last year we worked with Elton John AIDS Foundation, Phaidon Press, Royal Shakespeare Company, Sundog Pictures, The Sunday Times and Tate to name just a few.

In 2016, we continued to see an increase in customers wanting to use our members' work. Our biggest growth in new customers came from the advertising industry and across our customer base, a third of all requests received were for digital uses such as e-books, websites and smartphone apps.

Internationally, we represent over 70,000 artists and estates for copyright licensing through our network of sister societies, which means we can represent DACS members worldwide. DACS pays these royalties to artists and their estates four times a year in February, May, August and November.

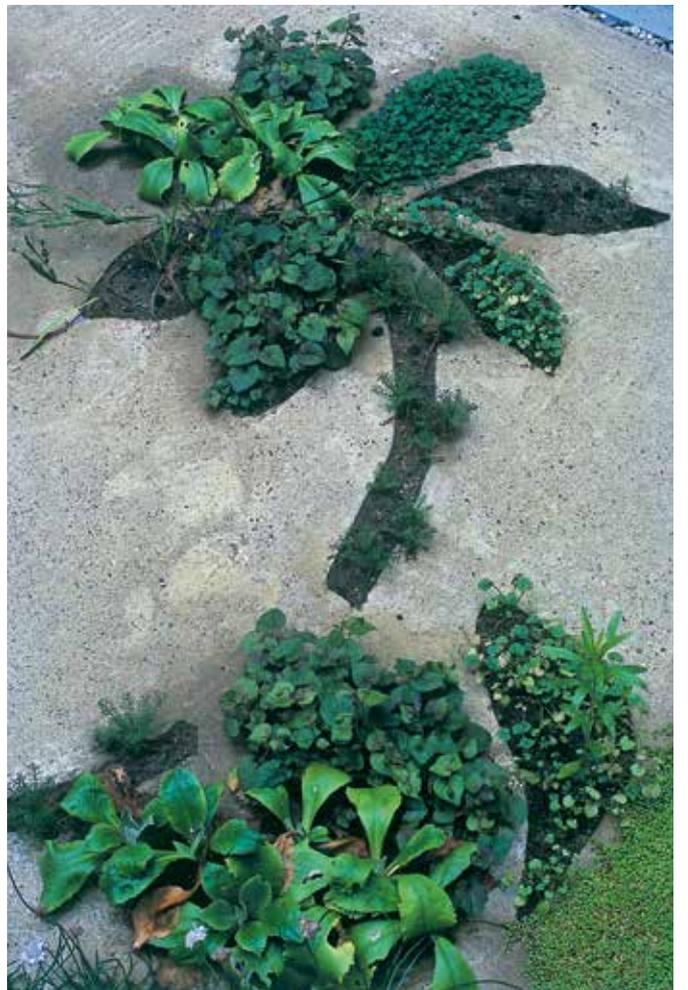
Artimage, DACS' newest service, celebrated its second birthday in June. Over the past two years, Artimage has grown to showcase over 16,000 unique images by more than 150 leading international artists making it the go-to online resource for licensing high-quality images of modern and contemporary art.

All of the images available on Artimage have been approved and authorised by the artists and estates we represent and unlike other image libraries, DACS ensures that the majority of licence fees generated through Artimage go back to artists and artists' estates, helping to support and sustain their practice.

Hurvin Anderson, Fiona Rae, Johnnie Shand Kydd, David Shrigley and Catherine Yass were just some of the leading contemporary artists to join Artimage in 2016. Last year we also welcomed the National Portrait Gallery, who join Arts Council Collection, British Council Collection and National Galleries of Scotland, in licensing their images with us.

DACS is now working on a number of exciting new developments, which will come to fruition in 2017. Artists and customers will benefit from further enhancements in customer service experience and efficiency in processing licensing requests to use our members' work.

Find out more at dacs.org.uk/for-artists/copyright-licensing



Putting artists' futures first

Mark Stephens CBE

Chair

DACS
Annual Review 2016

DACS is one of the leading visual artists' rights management organisations in the world – now representing 100,000 artists worldwide.

Working on behalf of tens of thousands of artists and estates, DACS campaigns for the rights of all visual artists and puts artists and their futures at the centre of everything we do.

Visual artists' contribution to the creative economy and our cultural heritage is profound. In times of uncertainty, we believe that artists are the primary navigators of our culture and DACS strives to ensure their moral rights are upheld and that they are fairly rewarded.

Towards the end of last year, the European Commission set out new copyright reform proposals to improve the rights of creators in the online environment as part of the plans for a Digital Single Market. We warmly welcomed these proposals where they aim to secure a better deal for creators and allow for fairer remuneration.

We have also continued to strive towards excellence in our reporting to members. As a collective management organisation, founded by artists, we pride ourselves on delivering best practice and we have always valued transparency, accountability and professionalism in the service we provide, whilst upholding our innovative approach to the way we do business. We value the input of artists and artists' estate

representatives on our Board which we believe give us a unique suite of insights.

Last year we welcomed the implementation of the Collective Rights Management (CRM) Regulations, which came into force in the UK in April 2016. The Regulations put the interests of creators first by ensuring that the collective management organisations who work on their behalf deliver a consistently high standard of service.

Some of the recent changes we introduced to meet the new standards set out in the Regulations included publishing an Annual Transparency Report, which gives greater insight into our financial reporting and makes it even easier for voting members to participate in our general meetings and have a say in how DACS is run.

Looking ahead, DACS is committed to advocating for the safeguarding of artists' rights and will continue to engage with government and industry to ensure artists' voices are heard.

DACS Courtyard Commission
Artwork by Anya Gallaccio and del Buono Gazerwitz
© Anya Gallaccio and del Buono Gazerwitz, 2017.
Photo © Edward Woodman. All Rights Reserved,
DACS 2017.

Last year, DACS collected £16.7 million and distributed £14 million in royalties to over 37,000 artists and artists' estates. Over the next few pages you can read about our financial performance in 2016.

In line with the CRM Regulations, you can also now read our Annual Transparency Report, which gives financial information on rights revenue, the cost of rights management and the distributions to rightsholders for each category of rights managed.

For a copy of our latest Transparency Report and DACS' annual audited accounts please visit dacs.org.uk/about-us/corporate-resources

Royalties collected by DACS on behalf of visual artists and artists' estates from 1 January – 31 December 2016

DACS Revenue Stream		National gross collections £'000s	Amounts deducted for administration costs £'000s	Administration Cost** %	Net distributable royalties*** £'000s
Copyright Licensing	UK collections (incl. image hire + Infringements)	1,799	460	25%	1,338
	Collections from overseas societies	306	46	15%	260
Artist's Resale Right	UK collections	10,083	1,513	15%	8,571
	Collections from overseas societies	657	0	0%	657
Collective* Licensing	UK collections	1,505	241	16%	1,264
	Other sources (inc. overseas societies)	2,121	339	16%	1,782
Other overseas collections*	Extended Collective	221	35	16%	186
	Public Lending Right	0	0	15%	0
		16,692	2,634	16%	14,058

*Collective Licensing - Royalties collected through this revenue stream in 2016 will be distributed in 2017.

** DACS Administration Cost - As a not-for-profit organisation we retain a percentage of the royalties we collect on behalf of artists and estates to cover our costs.

*** Distributable royalties - These are royalties that have been invoiced by DACS during 2016. The royalty will become payable once payment has been received and DACS has all the necessary information from the artist or estate (for example, correct taxation information and bank details). Please refer to DACS' distribution policies at dacs.org.uk/about-us/corporate-resources.

**Statement of distributable income
from 1 January – 31 December 2016**

£'000s

Distributable income still to be distributed at the beginning of the year		9,420
Plus: Net distributable income for the year in progress		14,059
Less: Amount distributed during the year	1) To the society's members	11,673
	2) To sister societies	5,053
Amount distributed in 2016		16,726
Amount at the end of the year	1) To be distributed	6,753
	2) Held in reserve	0

Income and Expenditure, 1 Jan – 31 Dec	2016	2015
	£'000s	£'000s
Turnover	16,693	19,508
Less payable to artists	-14,059	-16,409
Other cost of sales	-24	-109
Gross profit	2,610	2,991
Occupancy	-89	-75
Directors remuneration	-55	-64
Salaries and other staff costs	-1,820	-1,743
Professional fees	-256	-217
Finance charges	-27	-29
Communications	-111	-88
Telephone, stationery and office costs	-210	-192
Travel and subsistence	-16	-17
Other expenses	-57	-40
Depreciation/loss on disposals	-183	-256
Research & development	-35	-73
Grant delivery costs	-0	-2
Total expenses	-2,859	-2,797
Other operating income	84	61
Fair value movements	77	13
Exceptional items	-39	-47
Operating profit	-127	221
Interest receivable and similar income	29	36
Investment income	43	24
Total other income	72	60
Profit before taxation	-55	281
Tax on profit	0	-11
Total income	-55	270

Established by artists for artists, DACS is a not-for-profit organisation with a Board of Directors and Voting Members who help guide us in our mission to transform the financial landscape for visual artists. We uphold a governance structure that ensures transparency and fairness for members and those who use our services.

For further information about DACS' governance please visit dacs.org.uk/about-us/governance

Board of Directors

We are governed by a Board of Directors who ensure that DACS fulfils its mission to transform the financial landscape for visual artists and artists' estates.

DACS holds four Board meetings per year and Directors also participate in sub-committees of the Board: Business Development, Communications, Finance and Audit, Legal, and Remuneration.

Appointment of the Board

Directors are recruited in accordance with a published description of the role and person specification, which we advertise publically and among members and users of our services. We conduct a rigorous shortlisting process in accordance with diversity and equal opportunity practice, and interview selected candidates in a competitive interview process. Member Directors and Non-Member Directors are voted in by an ordinary resolution of the Voting Members at the Annual General Meeting. Under DACS' Articles of Association, the Board is entitled to elect one of the selected Board Directors to be Chairman.

The Directors who served during 2016 were:

Cortina Butler

Ian Coleman

Julia Crabtree (appointed 26 September 2016)

Brendan Finucane QC (resigned 28 November 2016)

Matthew Flowers

Herman Lelie

Mary Moore

Mark Stephens CBE

Sarah Taylor Silverwood

Klaus Thymann

Jane Wilson

DACS

Annual Review 2016

Directors' remuneration costs were as follows:

2015	£
Directors Emoluments	64,087
2016	£
Directors Emoluments	55,198

Find out more about our Board at dacs.org.uk/about-us/board-of-directors.



Alison Turnbull in her studio.
Photo © Brian Benson, 2017.

“DACs promotes the notion that once you’ve made a work, you will always have a stake in it. The artist continues to benefit after their work has left the studio – and the gallery – whenever it is used in print, on book covers and so forth. That recognition is really important for artists.”

Alison Turnbull

DACS operates within a framework governed by industry standards and UK law regulating collective management organisations.

Read DACS' Code of Conduct at:
dacs.org.uk/about-us/corporate-resources/code-of-conduct

We are committed to providing transparency and accountability to our members and service users and leading on best practice. Through our Code of Conduct, we set out the principles governing membership of DACS and our licensing and other activities. It also outlines the roles and responsibilities of DACS and the standards that govern how we operate.

Importantly, it also explains what to do if things go wrong, and how to complain about matters covered by this Code. We have a dedicated and transparent complaints procedure and we wish to hear from anyone who is dissatisfied with the activities that DACS undertakes.

Complaints record

In 2016, there were no formal complaints made to DACS.

DACS Team

You can find out more about our staff at dacs.org.uk/about-us/staff

Sign up to our mailing list:
communications@dacs.org.uk.

   @DACStoArtists

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Image above shows full cover image:
Lighthouse (south), 2011. Catherine Yass.
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DACStoArtimage 2017.
Commissioned by the De La Warr Pavilion.
Image courtesy Alison Jacques Gallery.

Company Information

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Registered Company no. 1780482

Company Secretary

Helen Dutta

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Lubbock Fine
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& Statutory Auditor
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