

# Annual Review 2015



**DACS**

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## **DACS**

Annual Review 2015

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Cover image, detail of:  
Tokyo Popeyes, 2004. Fiona Rae.  
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Photo: Antony Makinson and Prudence Cuming  
Associates Ltd.





Yinka Shonibare MBE in his studio.  
Photo © Brian Benson, 2016.

“DACs is a very important organisation for artists in terms of advocacy. It’s important to have an organisation that will fight for artists to at least get something.”

**Yinka Shonibare MBE**

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 90,000 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.

In support of this, we collect and distribute royalties to visual artists and their estates through Artist's Resale Right (ARR), Copyright Licensing and Artimage, and via Payback and Dutch Public Lending Right.

In 2015, DACS distributed a record £16.7 million in royalties to over 26,000 artists and artists' estates – an 11% increase in value from 2014.

You can find out more about what we do at [dacs.org.uk](http://dacs.org.uk).





*Maracus III*, 2004. Hurvin Anderson  
© Hurvin Anderson. All Rights Reserved,  
DACS 2016. Photo Richard Ivey.

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# Campaigning for your rights

## **Gilane Tawadros, Chief Executive**

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Over the course of three decades, DACS has generated over £75 million for artists and artists' estates and plays a vital role in the visual arts economy.

Last year alone, we paid a record £16.7 million to artists and estates through Artist's Resale Right (ARR), Copyright Licensing and Artimage, and via Payback and the Dutch Public Lending Right.

2015 was another important year for DACS, campaigning for visual artists' rights and protecting their livelihoods. In safeguarding the future of Payback, DACS participated in a mediation process to resolve a dispute that began in 2014 between DACS and the Copyright Licensing Agency (CLA) and its owners, the Publishers Licensing Society (PLS) and Authors' Licensing and Collecting Society (ALCS). This was followed by an independent valuation process, which sought to determine how revenues for copying text and images in UK publications should be split between different rightsholders – authors, publishers and visual artists. DACS led negotiations to broker the share for visual artists and although this process demanded a significant amount of resource, it successfully resulted in the increase of the visual artists' share from 8% to 8.7%.

DACS has a proven track record in increasing collective licensing revenues to visual artists in a cost-effective way and a long history of giving back to the visual

arts community. DACS is highly-experienced in managing and distributing collective licensing royalties through our Payback scheme and I am confident that DACS will continue to be the trusted broker on behalf of visual rightsholders and provide the best service to visual artists and picture libraries.

On Artist's Resale Right, DACS continued to pursue and channel revenues to artists and their beneficiaries, promoted the cultural and economic impacts of ARR here in the UK and supported international efforts to create a level playing field worldwide. Through our efforts, over 1,500 artists and estates received almost £10 million in ARR royalties in 2015. In 2016, ARR reaches a significant milestone in the UK as we mark the 10th anniversary of its introduction. DACS campaigned rigorously to secure ARR on behalf of visual artists and estates in the UK and over the past 10 years DACS has distributed almost £47 million in ARR royalties to artists and estates. DACS is confident that the UK's decision to leave the European Union will have no impact on the Artist's Resale Right in the long term, and that in the short term UK laws derived from EU law continue to remain unchanged. DACS remains

committed to playing a full and active role alongside government and across our international network in championing artists' rights in the UK, Europe and throughout the world.

Our Copyright Licensing service saw an increase in digital requests with many businesses taking the opportunity to license images for online use – from editorial to advertising. Our newest service, Artimage - the digital image resource that showcases and licenses exceptional works of modern and contemporary art - celebrated its first anniversary and ended the year with revenues 55% higher than the previous year.

I am proud to say that we led a strong public programme throughout the year, including our New Economy of Art debates with Artquest. DACS Foundation, established in 2015 as an independent charitable organisation promoting the visual arts for the public benefit, also presented a rich programme of events throughout the year, including artist talks, and an art auction which raised £90,000 to fund programmes dedicated to supporting artists and artists' estates. In addition, DACS was awarded a grant of £250,000 from Arts Council England's Grants

for the Arts programme through National Lottery funding to support Art360, DACS Foundation's action research project supporting the development and sustainability of the legacies of 100 leading modern and contemporary artists.

Having received a Researcher-in-Residence award from Creativeworks London at the beginning of 2015, DACS was able to support doctoral researcher, Tania Phipps-Rufus, to research the benefits of intellectual property law for artists in the digital age. Working with the Oxford Internet Institute (OII) and The Ruskin School of Art, DACS also began to support a Knowledge Exchange Studentship during which artist and academic researcher Laura Molloy began to investigate the artistic and economic value of the internet in the working practices of today's artists. Meanwhile, DACS' Research and Innovation team also continues to explore new partnerships and revenue streams from which visual artists may be able to benefit.

With the UK as a leading, global cultural centre, it is vital we continue to campaign for artists' rights, ensuring artists are fairly remunerated and their livelihoods safeguarded.





Benji Davies in his studio.  
Photo © Brian Benson, 2016.

“It’s important that the work  
of all creative professionals is  
recognised and given a value.”

**Benji Davies**



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# Our work on behalf of artists and estates

## Payback

In 2015 over 25,000 artists and estates claimed a share of almost £4.7 million in Payback royalties through DACS.

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 negotiates a share of this revenue, which we pay to visual artists, estates and their representatives each year. Claimants then have between July and September to apply for Payback and royalty payments are then processed and paid to claimants in December.

The 2015 Payback campaign gave a share of almost £4.7 million to over 25,000 artists - a 25% increase in the number of claimants compared to 2014. Claimants are guaranteed a minimum payment of £25 and in 2015 the highest payment was £3,770 with a median payment of £275. Over the last 15 years, DACS has distributed over £43.5 million of Payback royalties to artists and estates.

DACS participated in an independent mediation and valuation process throughout 2015 to determine the share of collective licensing royalties between various rightsholders, including publishers, authors and visual artists. This process demanded a significant amount of resources but

resulted in the increase of the visual arts' share from 8% to 8.7%. DACS is a proven and trusted broker and we believe we can effectively negotiate the best outcome on behalf of all visual rightsholders.

While the percentage DACS retains to cover administration costs remained at 18% for the 2015 Payback distribution, the DACS Board agreed a reduction to 16% for the 2016 Payback campaign. Since 2007, DACS has committed to reducing its administration costs meaning more money goes back to artists.

Beyond 2016, DACS is leading the negotiations on how the visual artists' share will be divided between any new parties that may seek to collect and distribute collective licensing revenues. With over 15 years' experience, DACS is confident that it can continue to provide an unrivalled Payback service to individuals and their agents. DACS continues to invest its resources to increase the available share of royalties for artists. For the 2016 Payback campaign, DACS has further developed its website to simplify the process for online claims for authorised representatives where mass claims can be uploaded more efficiently and reports, with unique identifiers, can be downloaded.

Find out more about Payback at [dacs.org.uk/for-artists/payback](http://dacs.org.uk/for-artists/payback).

### **Dutch Public Lending Right**

In 2015, 300 artists and estates also enjoyed a share of over £240,000 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 which 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, on an annual basis, to distribute to all types of eligible UK visual artists - including fine artists, illustrators and photographers.

DACS pays Dutch PLR royalties on an annual basis, and we are currently looking to secure equivalent royalties from other countries for British visual artists.

Find out more at [dacs.org.uk/for-artists/payback/dutch-plr](http://dacs.org.uk/for-artists/payback/dutch-plr).



Julie Umerle in her studio.  
Photo © Brian Benson, 2016.

“Often, as artists, we get caught up in trying to do everything ourselves, which is of course impossible. It’s reassuring and increasingly valuable to be able to entrust DACS with something as essential as collecting fees on our behalf.”

**Julie Umerle**

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# Our work on behalf of artists and estates

## Artist's Resale Right

In 2015 over 1,500 artists and estates received almost £10 million in Artist's Resale Right royalties, more than ever before.

The Artist's Resale Right (ARR) entitles artists and estates to a modest share of the sale price each time their work is resold on the secondary market via an auction house, art dealer or gallery. We collect and distribute royalties to eligible artists and beneficiaries for sales taking place in the UK and also in Europe through our network of sister societies.

While the majority of UK art market professionals comply with ARR Regulations, there are some who fail to declare relevant sales, and may therefore avoid paying artists and artists' estates the royalties which they are due. In light of this, DACS launched a compliance campaign which succeeded in recovering more than £160,000 in ARR royalties in 2015 alone.

Outside of Europe, the US and China have been hotly debating the introduction of ARR in their own countries. DACS has lent its support to both campaigns working closely with our US sister society and briefing delegates in China on the success of ARR in the UK.

Following a visit to Beijing in April with CISAC, the international network of authors' societies, to present on the benefits of ARR, DACS hosted a delegation from the National Copyright Administration in China (NCAC) in June to provide expertise

and advice on how ARR operates in the UK. Since the meeting, draft legislation has been introduced in China.

In October, DACS joined a panel of European experts in authors' rights at the first ever international event promoting ARR in Russia hosted by CISAC and UPRAVIS, the non-commercial partnership in Russia for the protection and management of visual artists' rights.

This complements a wider campaign led by CISAC, who on behalf of visual artists around the world is pushing for the introduction of a new international treaty on ARR. DACS has supported the introduction of the right onto the agenda at the World Intellectual Property Organisation's Standing Committee on Copyright and Related Rights.

This would see UK artists benefiting from royalties outside of Europe and would create a level playing field for artists around the world. DACS will continue to update members on these developments as they happen.

Find out more at [dacs.org.uk/for-artists/artists-resale-right](http://dacs.org.uk/for-artists/artists-resale-right).





Celia Irvin and Priscilla Hashmi  
(The Estate of Albert Irvin).  
Photo © Brian Benson, 2016.

“Dad clearly liked the idea of his work being made available to others but, in terms of any financial gain, he was always keen to see artists being supported. The recognition one feels when receiving a royalty statement every once in a while is hugely important – even Dad needed reassurance that people were still interested in his work.”

**Celia Irvin and Priscilla Hashmi (Estate of Albert Irvin)**

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# Our work on behalf of artists and estates

## Copyright Licensing and Artimage

In 2015, almost £1.5 million in royalties were paid to over 1,000 visual artists and artists' estates through Copyright Licensing and Artimage.

Each year we work with 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. These uses range from e-books and film sets, to computer games, mobile apps, exhibition merchandise and billboards.

Copyright Licensing saw an increase in digital requests with many businesses taking the opportunity to license images for online use. This was particularly apparent in advertising sector enquiries, with a 7% increase in digital-related requests.

For over 30 years we have been a trusted broker for artists and estates, simplifying the process on behalf of our members. 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.

DACS' newest service, Artimage, celebrated its first anniversary and ended the year with revenues 55% higher than the previous year. Distinguished artists including

Sam Taylor-Johnson, John Piper, and Susan Hiller joined Artimage in 2015, expanding its repertoire and bolstering its reputation as the go-to online resource for licensing high-quality images of modern and contemporary art.

Artimage has grown to showcase over 12,000 images by more than 125 leading international artists. Unlike other image libraries, DACS ensures that the bulk of licence fees generated through Artimage goes back to artists and artists' estates, helping to support and sustain their practice.

Find out more at [dacs.org.uk/for-artists/copyright-licensing](http://dacs.org.uk/for-artists/copyright-licensing).



*Exquisite Cacophony* (film still), 2015.  
Sonia Boyce © Sonia Boyce.  
All Rights Reserved, DACS 2016.



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Working towards a  
collective future  
**Mark Stephens CBE**  
**Chair**

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**DACS**  
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Over the past three years, DACS has been dedicated to ensuring that we are compliant with the Collective Rights Management (CRM) Regulations, which became UK law in April 2016.

The CRM Regulations are good news for artists and estates as they provide greater transparency and accountability in how their rights are managed by collecting societies. As an artist-focused organisation we have always sought to ensure best practice and in anticipation of the law we have carried out an extensive review of DACS' governance and adopted new Articles of Association. This work has laid the foundations for the organisation to grow and be representative of a greater number of artists and estates.

In September we held our Annual General Meeting, where members received the Company's annual accounts, reappointed our auditors, and reappointed Klaus Thymann as a Member Director of the Company. At our next AGM we hope to review further company policies aligned with the new Regulations.

As a representative and advocate for thousands of visual artists worldwide, DACS has continued to work closely with the UK Government on behalf of artists on important issues which affect visual artists such as the changes to copyright exceptions. We have regularly submitted responses to consultations

from the UK Government and the European Commission to ensure that the position for artists' rights is put forward and heard. We also continued to participate in discussions about the European Commission's Digital Single Market proposals, to ensure that visual artists' rights and interests are recognised in proposals on copyright exceptions and reforms in Europe.

DACS will continue to monitor the impact of proposed new legislation and economic changes on individual artists and their livelihoods. We shall continue to campaign for artists' rights and promote the vital contribution that artists make to British culture, society and the economy at large.



Sceptre (after Theatre), 2005.  
Graham Fagen © Graham Fagen.  
All Rights Reserved, DACS 2016.

Last year, DACS collected a record £19.5 million and distributed £16.7 million in royalties to over 26,000 artists and artists' estates. Over the next few pages you can read about our financial performance in 2015.

For a copy of DACS' annual audited accounts please visit [dacs.org.uk/about-us/what-is-dacs](http://dacs.org.uk/about-us/what-is-dacs).

In line with the CRM Regulations, you can also now read our 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 more information please visit [dacs.org.uk/about-us/what-is-dacs](http://dacs.org.uk/about-us/what-is-dacs).





DACS hosted the first in a series of free public debates and performances programmed by Venice Agendas in 2015.  
Photo © Brian Benson, 2016.

## Royalties collected by DACS on behalf of visual artists and artists' estates from 1 January – 31 December 2015

DACS Revenue Stream		National gross collections £'000s	Amounts deducted for administration costs £'000s	DACS Administration Cost ** %	Net distributable royalties ** £'000s
<b>Copyright Licensing</b>	UK collections (incl. image hire + Infringements)	1,790	456	25%	1,334
	Collections from overseas societies	253	38	15%	215
<b>Artist's Resale Right</b>	UK collections	11,584	1,741	15%	9,843
	Collections from overseas societies	477	0	0%	477
<b>Collective* Licensing</b>	UK collections	4,829	773	16%	4,056
	Other sources (inc. overseas societies)	505	81	16%	424
<b>Other overseas collections</b>	Extended Collective	46	7	16%	38
	Public Lending Right***	26	4	15%	22
		19,508	3,099	16%	16,409

\*Collective Licensing - Royalties collected through this revenue stream in 2015 will be distributed in 2016.

\*\* 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 2015. 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/distribution-policies](http://dacs.org.uk/about-us/distribution-policies).

## Statement of distributable income from 1 January – 31 December 2015

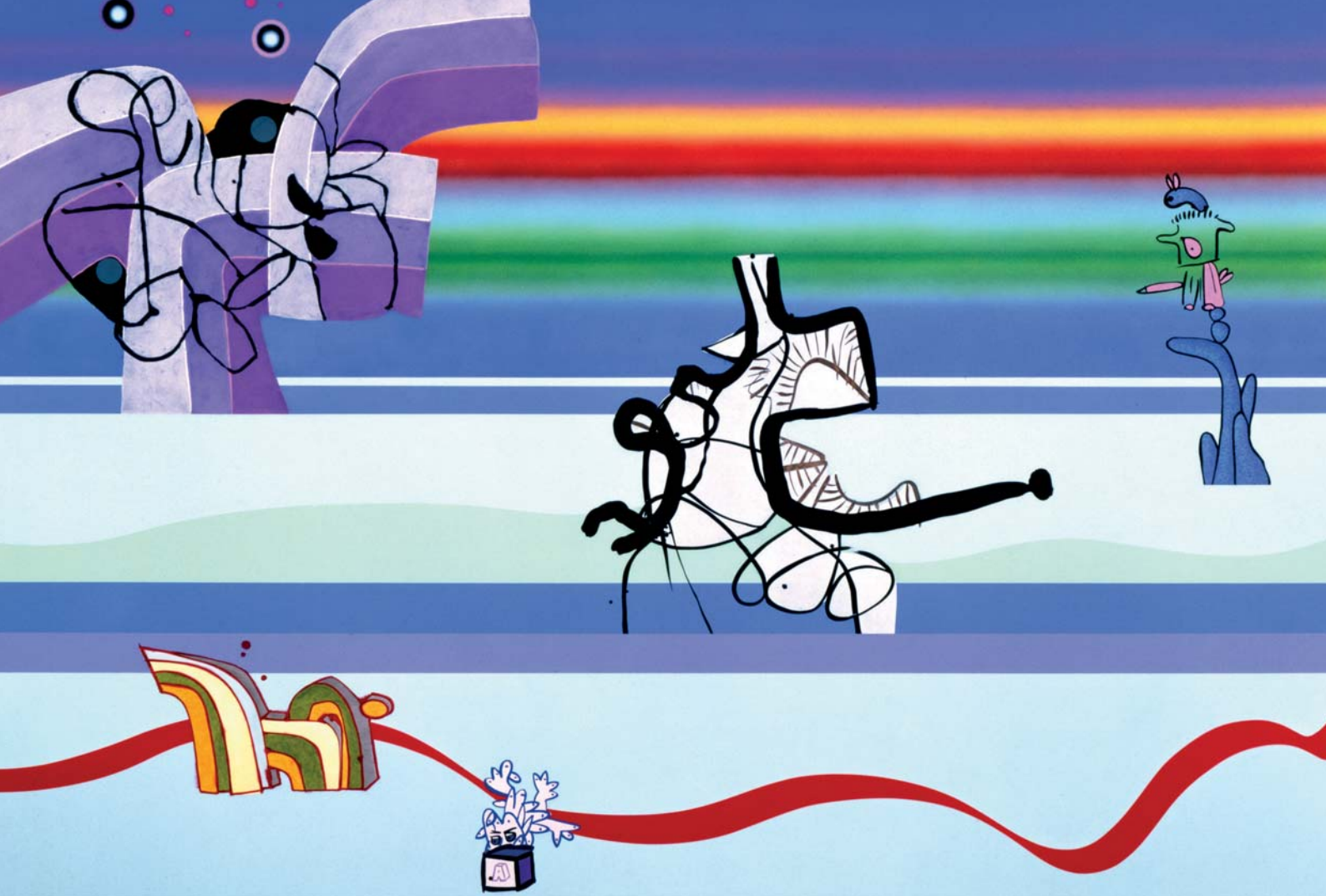
£'000s

<b>Distributable income still to be distributed at the beginning of the year</b>		9,757
Plus: Net distributable income for the year in progress		16,409
Less: Amount distributed during the year	1) To the society's members	11,494
	2) To sister societies	5,252
<b>Amount distributed in 2014</b>		16,746
<b>Amount at the end of the year</b>	1) To be distributed	9,420
	2) Held in reserve*	12*

\*Held in reserve – This is the amount held in reserve following exceptional costs in the year arising from the dispute with the Copyright Licensing Agency (CLA). The Directors deemed it appropriate to use these reserves as the dispute specifically related to royalties owed to claimants from the CLA's collective licensing scheme.



<b>Income and Expenditure, 1 Jan – 31 Dec</b>	<b>2015</b>	<b>2014</b>
	£'000s	£'000s
<b>Turnover</b>	<b>19,508</b>	<b>17,813</b>
Payable to rightsholders	-16,409	-14,761
Other cost of sales	-109	0
<b>Gross profit</b>	<b>2,991</b>	<b>3,052</b>
Occupancy	-75	-156
Directors remuneration	-64	-51
Salaries and other staff costs	-1,743	-1,646
Professional fees	-217	-213
Finance charges	-29	-28
Communications	-88	-93
Telephone, stationery and office costs	-192	-286
Travel and subsistence	-17	-22
Other expenses	-40	-50
Depreciation/loss on disposals	-256	-263
Research & development	-73	-42
Grant delivery costs	-2	-19
<b>Total expenses</b>	<b>-2,797</b>	<b>-2,870</b>
Other income, interest and exceptional items	61	17
Fair value movements	13	23
Exceptional items	-47	-191
<b>Operating profit</b>	<b>221</b>	<b>31</b>
Income from current asset investment	21	8
Profit/(Loss) on disposal of investments	3	-4
Interest receivable & similar income	36	70
Interest payable & expenses		-1
<b>Profit before taxation</b>	<b>281</b>	<b>105</b>
Tax on profit	-11	0
<b>Total income</b>	<b>270</b>	<b>105</b>



*Enter the cave with the ice waterfall, 2001.*  
Dan Perfect © Dan Perfect. All Rights Reserved,  
DACS 2016. Photo: Antony Makinson.

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.





Visitors explore the DACS Foundation auction in September 2015. Photo © Brian Benson, 2016.

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**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. Prior to the introduction of the CRM Regulations, Non-Member Directors were appointed by the Board, whereas Member Directors were voted in by ordinary resolution at the Annual General Meeting. The Board is entitled under the Articles to appoint the Chair. Following the introduction of the CRM Regulations in April 2016, both Member Directors and Non-Member Directors will be voted in by ordinary resolution at the Annual General Meeting.

The directors who served during the year were:

Cortina Butler  
Ian Coleman  
Brendan Finucane QC  
Matthew Flowers  
Conor Kelly (retired 13 December 2015)  
Herman Lelie  
Mary Moore  
Mark Stephens CBE  
Sarah Taylor Silverwood  
Emily Thomas (resigned 30 September 2015)  
Klaus Thymann  
Jane Wilson

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**Directors' remuneration costs were as follows:**

<b>2014</b>	<b>£</b>
Directors Emoluments	50,554

<b>2015</b>	<b>£</b>
Directors Emoluments	64,087

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You can find out more about our Board at [dacs.org.uk/about-us/board-of-directors](http://dacs.org.uk/about-us/board-of-directors).



*Stourhead*, 28th June 1993. Adrian Berg  
© Estate of Adrian Berg. All Rights Reserved,  
DACS 2016.



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# Compliance Report

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There were no formal complaints made to DACS during 2015.

## **DACS Complaints Procedure**

While primarily aimed at members, we have taken a liberal attitude to its application, on the basis that we wish to hear from any individual who wishes to express their dissatisfaction about the service they have received from DACS. We encourage staff to listen actively for opportunities to tell individuals about how they can complain formally as a means of expressing their dissatisfaction.

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### **Procedure**

If DACS does not perform to your satisfaction, we want to hear from you. You can make your complaint by telephone, email, fax or letter by following this procedure:

#### **Step 1**

Address your communication to Robert Read, Chief Operating Officer.

#### **Step 2**

If you remain dissatisfied with our response to your complaint, let us know so that we can refer the matter to our Chief Executive.

#### **Step 3**

In the event that you continue to remain dissatisfied with our response to your complaint, please let us know so that we can refer the matter to our Board of Directors, who will investigate the matter further.

Address your complaint to Robert Read, Chief Operating Officer at DACS, 33 Old Bethnal Green Road London, E2 6AA or [complaints@dacs.org.uk](mailto:complaints@dacs.org.uk).

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At each stage of the complaints procedure, we will investigate the complaint thoroughly and objectively and will respond to you comprehensively within 10 working days of receiving the complaint. We will strive to maintain the standards set out in the complaints procedure. However, in the event that we are unable to respond within the timescales we will let you know without delay. If you are not satisfied with the outcome of this complaints procedure, or if you consider that your complaint has not been correctly handled, you may refer your complaint to Ombudsman Services free of charge as a service provided by DACS.

Please note that the complaints procedure is not intended to deal with complaints or concerns from licensing customers about DACS' licensing terms and conditions. Complaints of this kind are dealt with by the Copyright Tribunal. For more information about the Tribunal, please visit [gov.uk/government/organisations/copyrighttribunal](http://gov.uk/government/organisations/copyrighttribunal).

For further information please refer to our Code of Conduct at [dacs.org.uk/about-us/code-of-conduct](http://dacs.org.uk/about-us/code-of-conduct).

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## The DACS Team

You can find out more about our staff at [dacs.org.uk/about-us/staff](http://dacs.org.uk/about-us/staff).

Sign up to our mailing list, email [communications@dacs.org.uk](mailto:communications@dacs.org.uk).

   @DACSforArtists

## DACS

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**E [info@dacs.org.uk](mailto:info@dacs.org.uk)**

**[dacs.org.uk](http://dacs.org.uk)**



Image above shows full cover image:  
*Tokyo Popeyes*, 2004. Fiona Rae.  
© Fiona Rae. All Rights Reserved, DACS 2016.  
Photo: Antony Makinson and Prudence Cuming Associates Ltd.

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## Company information

### Registered Office

33 Old Bethnal Green Road  
London  
E2 6AA

**Registered Company no. 1780482**

### Company Secretary

Helen Dutta

### Auditor

Lubbock Fine  
Chartered Accountants  
& Statutory Auditor  
Russell Bedford House  
City Forum, 250 City Road  
London, EC1V 2QQ

### Bankers

Co-operative Bank plc  
4th Floor, 9 Prescott Street  
London, E1 8BE

Scottish Widows Bank plc  
PO Box 12757  
67 Morrison Street  
Edinburgh, EH3 8YJ

Santander Bank plc  
21 Prescott Street  
London, E1 8AD

HSBC Bank plc  
Canary Wharf Commercial Centre  
Level 33, 8 Canada Square  
Canary Wharf  
London, E14 5HQ

Nationwide International  
Commercial Division  
Hogarth House  
136 High Holborn  
London, WC1V 6PX