
Annual Review 2013



DACS

DACS

Annual Review 2013

04

About DACS

05

**Introduction from Gilane Tawadros,
Chief Executive**

07

A message from Mark Stephens, Chair

09

What does DACS do?

12

Financial Report

17

Board of Directors

20

Compliance Report

22

The DACS Team

23

Company Information



Liliane Lijn
Artist
© Brian Benson 2014

Established by artists for artists, DACS is a not-for-profit visual artists' rights management organisation.

We are passionate about transforming the financial landscape for visual artists through innovative new products and services, and act as a trusted broker for 80,000 artists worldwide.

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

In its support of artists and their work, DACS collects and distributes royalties to visual artists and their estates through Payback, Artist's Resale Right and Copyright Licensing.

You can find out more about our work on behalf of visual artists at www.dacs.org.uk

Introduction from Gilane Tawadros, Chief Executive

DACS
Annual Review 2013



Thirty years ago this year, DACS was established by artists for artists. A generous grant of £7,400 from the Gulbenkian Foundation provided seed funding for DACS, enabling it to become the organisation it is today - a trusted broker for 80,000 artists and estates worldwide and a champion for their contribution to the creative economy.

In 2013 alone DACS paid a total of over £14 million in royalties to over 19,000 visual artists and estates and importantly, these monies go back to artists with no strings attached. At the same time, we have continued to work closely with the Government to ensure visual artists' rights are protected, both now and in the future.

In support of its mission, DACS has established a research and innovation arm to roll out a number of ground-breaking enterprises that will help artists and artists' estates financially whilst also making their work accessible to a wider audience. The first of these new services, Artimage - the only digital resource to showcase and license modern and contemporary art, was launched at the beginning of June 2014.

In recent decades the significant growth and success of the UK's visual arts community has generated enormous benefits both nationally and internationally. While it is

widely acknowledged that a thriving visual arts sector is integral to the social and economic well-being of society, it is vital to underscore the extraordinary, inspiring and essential contribution made by artists.

At a time when the median wage for a fine artist is £10,000, and when the current financial climate places further pressure on earnings, DACS has set itself an ambitious mission to transform the financial landscape for artists. Our vision for the future is to extend the breadth and ambition of our support for artists and their estates through a new charitable arm - the DACS Foundation.

The DACS Foundation is dedicated to supporting artists in a variety of ways including providing small-scale but transformative funding; archive management and legacy planning initiatives and education activities aimed at helping artists safeguard their rights and the integrity of their practice. The DACS Foundation will also be actively engaged in building a public discourse on the value of artists to society through an on-going programme of debates, symposia and publications. Our aim is to champion and ensure the sustainability of contemporary visual art today for the benefit of future generations.



Alex Turnbull
The Estate of Kim Lim and William Turnbull
© Brian Benson 2014

A message from Mark Stephens, Chair

DACS
Annual Review 2013



For thirty years DACS has tirelessly campaigned to champion artists' rights and secure income streams for artists. It has been my pleasure to see the organisation grow from one person in a tiny office in Whitechapel to a team of 40, about to move to new offices in east London, closer to the capital's largest art community.

The move to Bethnal Green, set amongst an ever growing hub of over 150 galleries and 1,000s of artists, will help save organisational costs while also offering a beautiful new space for DACS members to meet with the team and attend talks and presentations that we will programme from November this year onwards.

DACS continues to campaign and lobby on behalf of artists in key areas such as extended collective licensing and the Artist's Resale Right. The tension between government legislation, industry needs, and the interest of artists will always exist and we are here to help protect our members' rights and the royalties as best we can.

Our work in campaigning often requires the support of our members too and we are grateful that they are so engaged and active in this area. Earlier this year we circulated a survey on the Artist's Resale Right to collate evidence for the Intellectual Property Office and a European review that will take place next year. We received an overwhelming response which helped us to make clear the necessity of this kind of remuneration for artists and beneficiaries.

This year we also welcomed the findings of an independent review launched in November 2013 into the self-regulation of UK collecting societies and led by the former financial ombudsman Walter Merricks, CBE. The report published in June 2014 pleasingly found DACS to be compliant with both its own code of conduct and Government standards.

To assist the call for evidence, we asked our members, licensing customers, and the galleries, dealers and auction houses to take part in the review. We received hugely supportive comments from visual artists and artists' estates. Walter Merricks CBE commented: "there appears to be a high level of satisfaction with the way that DACS runs its affairs."

During the process of gathering the evidence for the Walter Merrick review we took the opportunity to consult with our members on proposed changes that would democratise the governance of the organisation. We received very supportive feedback and in February this year, our Board formally adopted our new governance structure that give our artists a greater stake in the

organisation in a variety of ways. We all appreciate that DACS is trusted by our members to manage their most significant economic and moral rights, so it is vital they have a voice in our decision-making process. These changes reflect an important progression in our transparency and accountability, which is critical to the public role of collecting societies, also emphasised by Walter Merricks CBE in his report.

In the spirit of being more open and transparent, we are organising the first AGM in ten years and DACS members will have the opportunity to vote on specific issues that affect them. In addition we are increasing the number of visual artists and estates on our Board in order to reflect the interests of the broad range of visual artists and estates we represent.

I am very excited by the prospect of these new developments as they will enable DACS to flourish as an artist focused organisation and fulfil our ambition, born over 30 years ago, to transform the financial landscape for visual artists and estates.



Kim Lim and William Turnbull
© Estate of William Turnbull.
All rights reserved, DACS 2014

What does DACS do?

Payback

In 2013, a record 16,700 visual artists and estates claimed a share of £4.2 million in Payback royalties through DACS, with many receiving their royalty just in time for Christmas.

Payback is an annual scheme run by DACS which pays royalties to visual artists and estates whose work has been reproduced in UK books, magazines or on TV. These royalties come from collective licensing schemes and DACS negotiates a share of this revenue which we pay back to visual artists, estates and their representatives each year.

Payback is open to all kinds of visual artists for all types of published work from fine art and photography to design and illustration. Artists' estates and representatives can also apply for a share of this money.

Each year claimants have three months to submit their Payback claim. Royalty payments are then processed and paid to successful claimants in December.

Over the past year we have been working on improvements to our online systems resulting in a quicker and easier claim process. These enhancements have seen claimants receive their royalties much earlier than in previous years.

Also for the first time last year, claimants had the chance to apply for Dutch Public Lending Right royalties with just over 250 visual artists receiving a share of £200,000. DACS will continue to pay Dutch PLR royalties on an annual basis and registration for the next round will open this summer alongside Payback. We are also exploring if there are similar royalties available for visual artists from other European countries and we will keep claimants informed of any new developments.

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

Artist's Resale Right

Last year, £8.4 million of Artist's Resale Right royalties were paid to over 1,400 visual artists and artists' estates.

The Right entitles artists and their heirs to a modest share of the sale price each time their work changes hands via an auction house, art dealer or gallery on the secondary market.

DACS represents over 48,000 artists and their beneficiaries for the Artist's Resale Right in the UK and in Europe through our network of sister societies. DACS collects and distributes royalties to eligible artists and beneficiaries, for sales taking place in the UK and also in Europe and we make royalty payments 12 times a year

The Right is currently upheld throughout the European Economic Area and in other countries worldwide including Australia and Mexico. At the end of last year DACS lent its support to a campaign calling for the Right to be recognised on a global basis. If successful this would be hugely beneficial for visual artists and their estates, ensuring all can benefit from sales of their work across the global art market be it London, Basel, New York or Hong Kong.

In the UK the Government has launched a call for evidence to learn more about how artists and estates are currently benefitting from the Right as well as the cost of administration for auction houses, galleries and dealers. In May 2014, we surveyed artists and estates about the Right and presented our findings to the Government.

We want to ensure the positive impact of the Right on artists' income, practice and livelihood is recognised by the Government - and that their royalties are protected. The Government will publish its findings later this year in September and we'll report on the outcomes on our website and via social media.

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

Copyright Licensing

Last year, our Copyright Licensing service paid £1.5 million to over 1,000 visual artists and artists' estates.

Each year we work with thousands of British and international customers who want to reproduce works by artists we represent. These uses range from e-Books, smartphone apps and computer games to exhibition catalogues, advertising and television.

We have been providing this service to artists and estates for 30 years, taking care of what can be a time consuming and complicated process.

Today we represent over 70,000 artists and estates. We also belong to an international network of sister societies in 29 countries, 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.

Over the past 18 months and as part of an ambition to provide a portfolio of new and innovative services, benefitting both artists and users, DACS has developed Artimage – a digital image resource that showcases and license exceptional works of modern and contemporary art.

DACS has developed Artimage to showcase thousands of images from international artists including Francis Bacon, Peter Blake, Sandra Blow, Frank Bowling, Tracey Emin, Anya Gallaccio, Roger Hiorns, Damien Hirst, Roy Lichtenstein, Liliane Lijn, Richard Long, Yinka Shonibare, Andy Warhol and Jane and Louise Wilson, to name a few.

Launched at the beginning of June 2014 Artimage improves the user experience and speeds up production time for image licensing customers. It provides both the licence agreement and image file, creating a streamlined process for all publishing, merchandising and advertising needs.

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



Mat Collishaw
Artist
© Brian Benson 2014

DACS is passionate about transforming the financial landscape for visual artists through innovative new products and services, and acts as a trusted broker for 80,000 artists worldwide.

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.

You can download a copy of DACS' annual audited accounts at www.dacs.org.uk

Royalties collected by DACS on behalf of visual artists and artists' estates from 1 January – 31 December 2013

DACs Revenue Stream		National gross collections £'000s	Amounts deducted for administration costs £'000s	DACS Administration Cost %	Net distributable royalties ** £'000s
Copyright Licensing	UK collections (incl. image hire + Infringements)	1,564	393	25	1,171
	Collections from overseas societies	237	36	15	202
Artist's Resale Right	UK collections	9,073	1,340	15	7,733
	Collections from overseas societies	540	(7)	0	547
Collective* Licensing	UK collections	5,666	1,020	18	4,646
	Other sources (inc. overseas societies)	428	77	18	351
Other overseas collections	Extended Collective	17	3	17	14
	Public Lending Right***	40	(29)	–	69
		17,565	2,833	18	14,733

* Collective Licensing: royalties collected through this revenue stream in 2013 will be distributed in 2014.

** Distributable royalties: These are royalties that have been invoiced by DACS during 2013. 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 www.dacs.org.uk/about-us/distribution-policies

*** Public Lending Right: It was agreed in 2013 that claimants would be charged an administration cost of 15% and an adjustment was made for royalties received from 2010 to 2013 which is incorporated into the 2013 charge.

**Statement of distributable income from
1 January – 31 December 2013**

£'000s

Distributable income still to be distributed at the beginning of the year		9,849
Plus: Net distributable income for the year in progress		14,733
Less: Amount distributed during the year	1) To the society's members	9,086
	2) To sister societies	5,117
Amount distributed in 2013		14,204
Amount at the end of the year	1) To be distributed	10,128
	2) Held in reserve	250*

* In 2013, the amount of £250,000 which is held in reserve for collective licensing claimants has been transferred from long-term creditors to other reserves. This sum has been set aside for unclaimed funds. While DACS is not aware of anyone who has not been paid, if a claimant does come forward then the money must be available. The directors consider this to be a prudent sum to hold in reserve for this eventuality.

DACS Income and Expenditure from 1 January – 31 December 2013

	£'000s	£'000s
Turnover		17,566
Less: Payable to rightsholders		(14,483)
		<u>3,083</u>
Total expenses		
Professional fees	203	
Advertising and promotions	65	
Finance charges	12	
Depreciation	292	
Directors remuneration	48	
Travel and subsistence	31	
Other expenses	45	
Occupancy	225	
Research & business development	52	
Office costs	216	
Wages, salaries and other staff costs	1,861	
		<u>(3,050)</u>
Total other income		
Interest and other income	127	127
		<u>160</u>



cd de eee ff 99

cd de eee ff 99

cd de eee ff 99

V W X Z 0 A 00 pp S

We are governed by a Board of Directors who bring a wide range of talents and experience to DACS. The Board includes artists, estates, lawyers and other professionals who together ensure that DACS fulfils its mission to transform the financial landscape for visual artists and artists' estates.

In February 2014, the Board approved the adoption of new Articles of Association that have enabled us to give members a greater say in how DACS is run including new voting rights and increased representations of artists on the Board.

The Board currently comprises nine Board Directors. In accordance with our new Articles of Association, this year we will be recruiting a further three Member Directors to increase the representation of artists on our Board. This will mean we will have a total of 12 Board Directors (six Member Directors and six Non-Member Directors).

Appointment of the Board

Directors are recruited in accordance with a published description of the role and person specification, which we advertise widely 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.

Under the Articles of Association, Non-Member Directors are appointed by the Board whereas Member Directors are voted in by ordinary resolution at the Annual General Meeting.

The Board is entitled under the Articles to appoint the Chair.

In 2013 DACS was delighted to welcome Cortina Butler (the Estate of Reg Butler), as a new Board Director.

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

DACS Board

Non-member Directors

Mark Stephens CBE (Chair)
Ian Coleman
Brendan Finucane
Matthew Flowers
Herman Lelie
Emily Thomas

Member Directors

Cortina Butler
Conor Kelly
Klaus Thymann

DACS

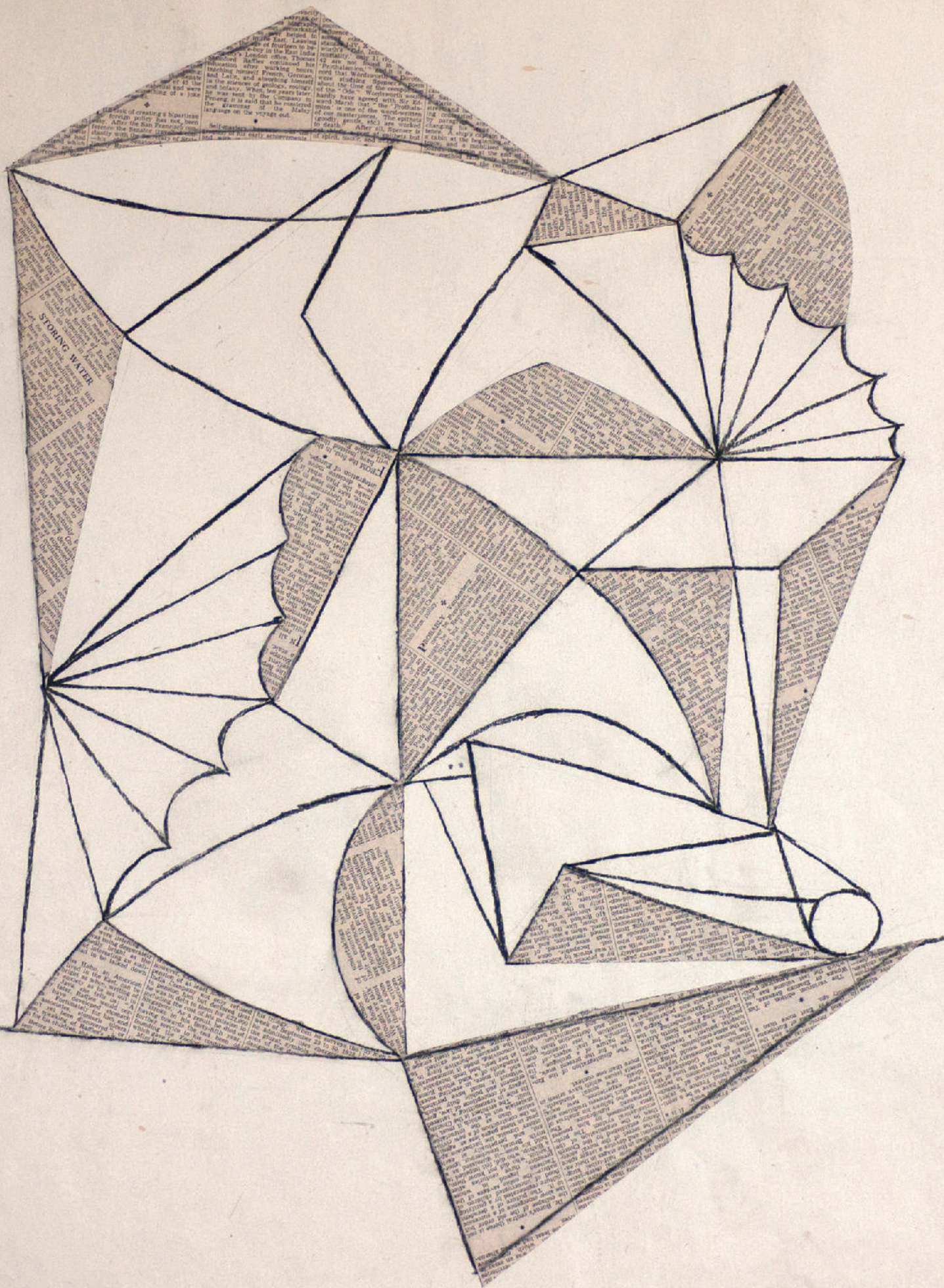
Annual Review 2013

Board of Directors

Board Directors' Remuneration 2013

Cortina Butler	£3,315
Ian Coleman	£4,420
Brendan Finucane	£4,696
Matthew Flowers	£5,525
Conor Kelly	£5,525
Herman Lelie	£4,420
Mark Stephens	£8,840
Emily Thomas	£5,525
Klaus Thymann	£5,525

You can find out more about our Board at www.dacs.org.uk/about-us/board-of-directors



STONING WATER

Parsons

Compliance Report

There were no formal complaints made to DACS during 2013.

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.

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 the Complaints 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 the Complaints Officer at DACS, 33 Great Sutton Street, London, EC1V 0DX or complaints@dacs.org.uk

At each stage of the complaints procedure, we will investigate the complaint thoroughly and objectively and will respond to you comprehensively within ten 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 www.ipo.gov.uk/tribunal/tribunal-about.htm.

For further information please refer to our Code of Conduct at www.dacs.org.uk/about-us/code-of-conduct



Kim Lim
Ring, 1972
© Estate of Kim Lim. All Rights Reserved, DACS
2014

The DACS team is committed to ensuring visual artists gain recognition and revenue from their rights.

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

Company information and credits

Company Secretary

Tom Wilcox

Registered Office

33 Great Sutton Street
London
EC1V 0DX

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 Prescot Street
London, E1 8BE

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

Santander Bank plc
21 Prescot 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

Photography credits

Portraits

© Brian Benson 2014

DACS

T +44 (0)20 7336 8811

F +44 (0)20 7336 8822

E info@dacs.org.uk

www.dacs.org.uk

Image credits:

Page 16

Liliane Lijn

ABC Cone, 1965. Poemcons Series.

© Liliane Lijn.

All Rights Reserved, DACS 2014.

Photography by Stephen White

Page 19

William Turnbull

Collage, 1949

© Estate of William Turnbull.

All rights reserved, DACS 2014.

Image courtesy Turnbull Studio.