

Annual Review 2017



DACS[®]

DACS

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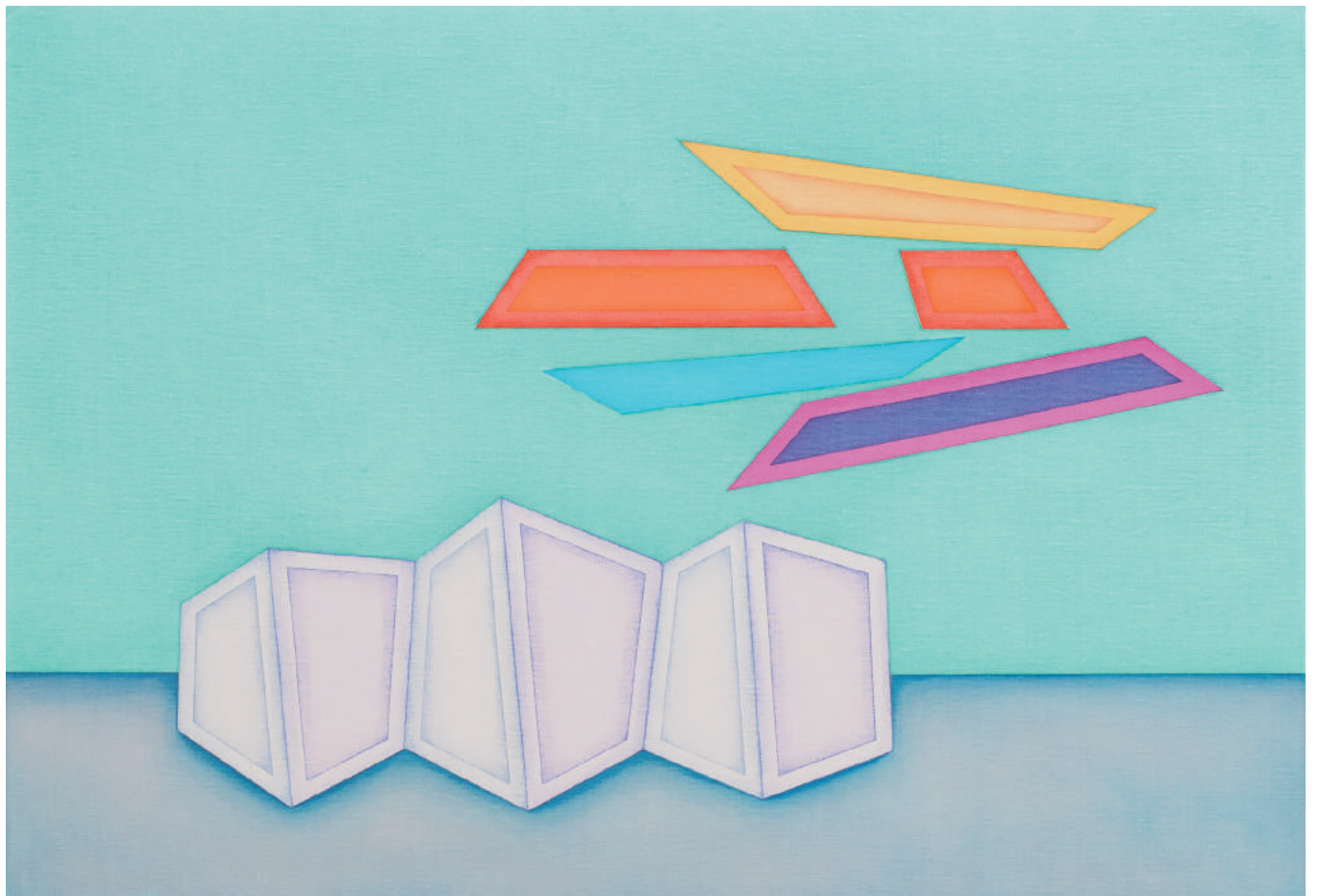
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Girl on 'Spacehopper', Byker, 1971
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Menu, 2015, Selma Parlour
36 x 51cm
Oil on linen
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Established by artists for artists, DACS is passionate about transforming the financial landscape for visual artists in innovative and dynamic ways, and is proud to act as a trusted broker for over 100,000 artists worldwide.

Founded over 30 years ago, DACS is the leading UK organisation that campaigns for artists' rights, championing their sustained and vital contribution to culture, society and the creative economy. We collect and distribute royalties to visual artists and their estates from Artist's Resale Right, Copyright Licensing and Artimage (our unique image library), and through Payback (our collective licensing scheme).

In 2017, a record 38,000 artists and artists' estates were paid more than £15 million in royalties distributed by DACS.

You can find out more about our services over the next few pages and by visiting dacs.org.uk.

Our year in numbers



38,000 artists

In 2017, a record number of 38,000 artists and estates were paid more than £15 million in royalties by DACS through Artist's Resale Right (ARR), Payback (Collective Licensing) and Dutch Public Lending Right, Copyright Licensing and Artimage.



£50,000,000

For over 15 years, DACS has successfully run Payback and in 2017 reached £50 million distributed in total.



1,800 artists

1,800 artists and estates received over £10 million in ARR royalties from DACS in 2017.



£400,000

In 2017, DACS uncovered £400,000 in unpaid resale royalties due to artists and artists' estates.



£1,700,000

A record £1.7 million in licence fees were paid to 2000 artists and estates from DACS across Copyright Licensing and Artimage in 2017.



Students from Central Saint Martins curate DACS' *#AnotherGallery* exhibition at the beginning of 2017. Photo © Brian Benson, 2018.

Working with artists and artists' estates

Gilane Tawadros, **Chief Executive**

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In a year of political, social and economic uncertainty, our mission to support visual artists and artists' estates, as they face many new challenges, has become ever more important.

In 2017, we campaigned for artists' rights, engaged in new partnerships, expanded our public programme of events and education, and invested in new areas of research and innovation.

One of the most significant sources of income today, artists and estates received over £10 million in Artist's Resale Right (ARR) royalties from DACS in 2017. In March, we spoke about the importance of ARR at the World Intellectual Property Organisation's international conference in Geneva, and put forward evidence and advanced the case for an international treaty for a resale right that would benefit all visual artists across the globe. In 2017, we reached a total of over £1 million undeclared resale royalties, which we have uncovered from art market professionals since our ARR Compliance Programme launched in 2015. We continue to ensure artists and their estates receive the royalties due to them.

In 2017, Copyright Licensing and Artimage artists and estates received over £1.7 million in royalties from the 2,000 licences we negotiated. Our artists and their works continue to be in high demand, breaking into new industry sectors, including fashion and interior design. They attract new customers globally every month.

At the beginning of 2017, DACS became a member organisation of the Copyright Licensing Agency (CLA), which is an important step in ensuring that thousands of DACS members can generate revenues from the collective licensing of their works. We launched our annual Payback campaign at the very beginning of the year, and successfully distributed over £4.2 million in royalties to a record number of Payback claimants.

Beyond our core services, DACS continues to drive discussion around what it means to work as a visual artist or estate, and provides useful resources and education through an extensive and diverse programme of public events.

We launched a programme of exhibitions at DACS' headquarters in east London with two exhibitions which focussed on themes which are significant for practicing artists. At the beginning of the year, we opened our *#AnotherGallery* exhibition, curated by students from Central Saint Martins' Culture, Criticism, and Curation BA course. The exhibition explored the phenomenon of the 'art selfie' and the extension of the gallery space into social media. Our second exhibition, *The Contract*, brought together artworks that explore the idea of 'the contract' from different

perspectives: contracts between artists and audiences, artists and institutions, nation states, and the individual and society at large. This exhibition was the centrepiece of our collaboration with worksinprogress and Turner Contemporary on Venice Agendas 2017, a series of performances, events, exhibition and publication on the same theme, organised to coincide with the Venice Biennial. We also ran a number of copyright workshops, one of which took us to Hull, UK City of Culture 2017.

Established with DACS' support in 2015, we were delighted to see Art360 Foundation continue with an exciting public programme to help safeguard at-risk cultural assets for present and future generations. Showcasing the impact of its Art360 Project over the last two years, the Foundation held an exhibition of the works of photographer Edward Woodman, which took place at DRAF (David Roberts Arts Foundation) in September and October. Hundreds of visitors visited the exhibition, which was timed to coincide with Frieze London.

As we look towards the future, DACS remains committed to supporting the business of being an artist and artist's estate in the UK and internationally.



Perminder Kaur in her studio.
Photo © Brian Benson, 2018.

“As a sculptor, the royalties I receive from Payback are hugely important, as they go straight into paying for essential material costs like metals and fabrics. It’s small royalties like these, generated from works that now hang in museums, that help sustain my practice.”

Perminder Kaur

Safeguarding revenue streams for artists

Payback

In 2017, a record number of artists, estates and their representatives claimed a share of £4.2 million of Payback royalties.



For over 15 years, DACS has run Payback and distributed £50 million in total. Today, this includes almost 90% of the total royalties available to visual artists from the CLA.



We continuously research new revenue streams across new markets.

Payback is our 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 a range of collective licensing schemes – such as the Copyright Licensing Agency's (CLA), which sells photocopying and scanning licences to businesses. We distribute a share of this revenue to visual artists, ensuring they are remunerated when their published work is reproduced.

In 2017, artists claiming royalties for work published in UK books and magazines, received payments from £25 to £550, with a median payment of £150. The highest payment for artists claiming for work published in UK books, magazines and broadcast on TV was £5,400.

In 2017, we introduced several changes to Payback, due to developments in the collective licensing industry around how and when data from rightsholders, such as visual artists, needs to be collected and submitted to the CLA. We introduced a new application window and opened our campaign in January. We also made technical improvements to our website, and made it easier for representatives of claimants, such as photo libraries, to upload their contributors' claims.

For the first time, applicants also had the opportunity to submit their

complete publication history to be eligible to claim from a new royalty allocation. As a result, over 12,000 claimants received royalties after their publication history was matched with publications on the CLA's photocopied list. DACS received over 70% of the money available from the CLA, which we distributed to claimants with successful matches.

The Public Lending Right (PLR) revenues DACS receives from the Netherlands has been declining, due to libraries lending fewer books and the closure of many small libraries throughout the region. This means that the receipt of future PLR revenue for our members' works published in the Netherlands is not guaranteed. However, in October 2017, we successfully distributed over £27,000 to eligible Dutch PLR claimants.

Despite the challenges of the past few years, figures show that DACS remains the UK's leading representative of visual artists for collective licensing revenue. This achievement would not have been possible without the support of our members who have put their trust in DACS. Safeguarding artists' revenue streams is our number one priority and we will continue to ensure that artists and estates get their fair share of royalties.

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



Richard Riley, The Estate of John Craxton.
Photo © Brian Benson, 2018.

“John was always very happy with DACS and I am as well. DACS are so easy to work with and have helped me hugely. I’m always excited when I see one of DACS’ envelopes drop through the door.”

Richard Riley, The Estate of John Craxton

Campaigning on behalf of artists and artists' estates

Artist's Resale Right

In 2017, 1,800 artists and estates received more than £10 million in Artist's Resale Right (ARR) royalties, which provide an essential source of revenue that supports artists' practices and their legacies.



ARR royalties are an essential income to sustain artists in their practice. They contribute to living costs, art materials and studio space.



Nearly 5,000 artists and estates have benefited from ARR, since 2006.

ARR benefits the wider art market, the creative economy and the UK's cultural heritage. Since it was introduced in 2006, DACS has distributed almost £66 million to nearly 5,000 artists.

The Artist's Resale Right 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 in Europe through our network of sister organisations. In total, this includes over 50,000 artists and estates.

ARR was implemented into UK law as the Artist's Resale Right Regulations in 2016. We continue to campaign to safeguard ARR in the UK after Brexit and engage with politicians and policy makers to raise artists' concerns. We recognise the significant benefits ARR provides to artists and the art world. In the UK, we continue to work closely with partner organisations, including the Alliance for IP, the British Copyright Council, the International Authors Forum (IAF) and the Creative Industries Federation. Internationally, we work closely with the International Confederation of Societies of Authors and Composer (CISAC)

and European Visual Artists (EVA), and in 2017 presented evidence and advanced the case for an international treaty for resale right at the World Intellectual Property Organisation's International Conference on the Resale Right in Geneva.

In 2017, we uncovered £400,000 in unpaid resale royalties due to 300 artists and estates. We have uncovered over £1 million from art market professionals who had not declared eligible sales, since our compliance campaign began in 2015.

In 2017, we also ran a campaign to trace the heirs of over 80 unrepresented Scottish artists who were owed more than £20,000 in ARR royalties. We received generous support from a variety of sources including members of the public and organisations such as the Glasgow School of Art, the Royal Glasgow Institute, and the Society of Scottish Artists, and are now in touch with almost 20 heirs across Scotland.

Learn more about ARR and watch our latest series of films at dacs.org.uk/for-artists/artists-resale-right.



Emma Bennett in her studio.
Photo © Brian Benson, 2018.

“I heard about DACS by word-of-mouth and I’m so glad I did. It’s so rare to find an organisation that is actually standing up for artists’ rights and doing something to support artists. The royalties from services like Copyright Licensing are really useful as they go straight back into my studio rent and materials. I definitely recommend DACS to fellow artists.”

Emma Bennett

Growing demand for British artists internationally

Copyright Licensing and Artimage

In 2017, £1.7 million of royalties were paid to 2,000 visual artists and artists' estates through Copyright Licensing and Artimage.



DACS managed licences for over 900 clients



We worked with international clients in 41 countries

In 2017, our Copyright Licensing and Artimage services grew by 21.5% and 57% in revenue respectively, illustrating a clear demand for these services and the value of our artists' works across the UK and internationally.

For over 30 years, we have been a trusted broker for artists and estates, simplifying the licensing process for everyone involved. 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 the artists we represent. In 2017 we worked with Burberry, EA Games, COS, Morgan Stanley, Penguin Books, The Royal Academy of Arts, and many more.

DACS manages requests to reproduce our members' works – everything from the price charged to the rights that should or should not be granted. 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 quarterly.

Artimage, now in its fourth year, showcases over 18,000 images from more than 170 international artists. Amongst some of our many projects, in 2017 we licensed Matisse's vibrant 'Jazz' cut-outs, and previously unpublished photographs of David Hockney by Andy Warhol.

In April, David Shrigley, Rut Blees Luxemburg, Gordon Cheung, Wendy McMurdo and Beth Nicholas spoke at the D&AD Festival as part of DACS and Artimage's first ever appearance at the global creative industry event.

Basil Beattie, The Douglas Brothers, Hannah Collins, Martin Creed, the Estate of Victor Pasmore and Caragh Thuring were just some of the leading artists and estates to join Artimage in 2017.

All the images available on Artimage are 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.

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



Pogus Caesar.
Photo © Brian Benson, 2018.

“Having worked and travelled as a photographer and artist for many years, I’ve seen how DACS has such an important presence in the art world. I like being with them not only because they make it all easy, but also because it’s great being part of such a brilliant, worldwide network.”

Pogus Caesar

Championing visual artists and their rights

Mark Stephens CBE

Chair

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The creative industries make up
over 5% of the UK economy,
and as its fastest growing part,
accounts for one in 11 jobs*.

A vital contributor to these industries and above all our cultural heritage, visual artists continue to face difficult financial challenges, ranging from rising studio rents, reduced public funding and diminishing sources of income. Championing and campaigning for artists' rights has become ever more important.

As a trusted rights management organisation, established by artists for artists, DACS has always upheld accountability, professionalism and transparency in the services we provide. We are committed to exceeding industry standards put in place by the Collective Rights Management Regulations, introduced into UK law in April 2016, and our focus in 2017 has been preparing for the new General Data Protection Regulation (GDPR). We take our members and customers' data protection seriously. We have carried out a company-wide audit and put together an action plan that ensures compliance with the new regulation.

To better facilitate how our members engage with DACS and have their say on how the organisation operates, we successfully held our Annual General Meeting (AGM) last September, when we introduced a new e-voting system.

Our Board, which shapes the direction of the organisation and brings along with them a wide range of talents and industry expertise, was joined by a number of exceptional new Directors in 2017: Rut Blee Luxenburg works as an artist and photographer internationally. She is a Reader in Urban Aesthetics at the Royal College of Art and is founder and co-director of an experimental art production space, FILET. Neil Burgess joined us with extensive experience in the photography sector in various roles as an agent, editor, collector and curator. He was Director of Magnum Photos for seven years and founded Magnum Photos' first London office. Frederique Pierre-Pierre, with a background in law and finance, worked as Chief Operating Officer for the CIO office of Deutsche Bank Asset Management. Her Trustee and Non-Executive Director experience includes Matt's Gallery and the Henry Moore Foundation.

Aside from our continuous campaigning efforts, we pride ourselves in providing education and advice to the visual arts community, from the events we host to the extensive range of articles and fact sheets available on our website. We also celebrated the 10-year anniversary of our Copyright Advice

Service, available for free for our Copyright Licensing and Artist's Resale Right members.

Our innovative approach to the way we do business distinguishes DACS as a leader in our field. DACS represents more than 100,000 artists and estates worldwide through our international networks, and we look forward to supporting them and their needs in years to come.

*Creative Industries Federation, 2016



The Couple, 1944-47, Anwar Jalal Shemza.
© The Estate of Anwar Jalal Shemza.
All Rights Reserved, DACS/Artimage 2018.



In 2017, DACS distributed over £15 million in royalties to over 38,000 artists and artists' estates. Over the next pages you can read about our financial performance.

In line with the CRM Regulations, you can 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.

You can read our transparency report and DACS' annual audited accounts at dacs.org.uk/about-us/corporate-resources.

Royalties collected by DACS on behalf of artists and artists' estates from 1 January - 31 December 2017

DACS Revenue Stream		Revenue £'000s	Amounts deducted for admin. costs £'000s	Rights management* %	Amounts payable to artists £'000s
Copyright Licensing	UK collections (incl. image hire + Infringements)	2,193	562	25%	1,630
	Collections from overseas societies	385	58	15%	327
Artist's Resale Right	UK collections	11,128	1,670	15%	9,458
	Collections from overseas societies	546	0	0%	546
Collective Licensing	UK collections	3,285	526	16%	2,759
	Other sources (inc. overseas societies)	631	101	16%	530
Other overseas collections	Extended Collective	15	2	15%	13
	Public Lending Right	29	4	15%	25
		18,212	2,923		15,288

* Amounts payable to artists – 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.

Income and Expenditure, 1 Jan – 31 Dec		2017	2016
		£'000s	£'000s
Turnover		18,212	16,693
Less payable to artists		-15,289	-14,059
Other cost of sales		-6	-24
Gross profit		2,917	2,610
Occupancy		-88	-89
Directors remuneration		-58	-55
Salaries and other staff costs		-1,924	-1,820
Professional fees		-184	-256
Finance charges		-34	-27
Communications		-118	-111
Telephone, stationery and office costs		-113	-210
Travel and subsistence		-19	-16
Other expenses		-97	-57
Depreciation/loss on disposals		-136	-183
Research & development		-36	-35
Grant delivery costs		-61	0
Total expenses		-2,868	-2,859
Other operating income		85	84
Fair value movements		92	77
Interest receivable and similar income		11	29
Investment income		39	43
Exceptional items		0	-39
Profit before taxation		276	-55
Tax on profit		-41	-3
Total income		235	-58



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, 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 publicly 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 2017 were:

Rut Blees Luxemburg (appointed 7 September 2017)
Neil Burgess (appointed 7 September 2017)
Cortina Butler
Ian Coleman
Julia Crabtree
Matthew Flowers
Chloe Kinsman (resigned 12 February 2018)
Herman Lelie
Mary Moore
Frederique Pierre-Pierre (appointed 7 September 2017)
Mark Stephens CBE
Sarah Taylor Silverwood
Klaus Thymann
Jane Wilson

Directors' remuneration costs were as follows:

2016	£
Directors Emoluments	55,198
2017	£
Directors Emoluments	58,023

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



Work No. 370, *Balls*, 2004, Martin Creed.
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Artimage 2018. Photo: Hugo Glendinning.

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

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

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 services that DACS provides.

Complaints record

In 2017, DACS successfully resolved two formal complaints.

DACS Team

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

Sign up to our mailing list:
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   @DACStoArtists

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Image above shows full cover image:

Girl on 'Spacehopper', Byker, 1971

Sirkka-Liisa Konttinen.

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Company Information

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