

**2006**

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**VERSION 1**



**NATIONAL NEWSPAPERS  
AUDIT RULES**

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AUDIT RULES**

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## SECTION A

### Details to appear on the ABC Certificate

The following is a list of details that will appear on the Publishers Standard Certificate of Average Net Circulation (“the Certificate”). These details will be sourced from a Return of Average Net Circulation to be completed by the Publisher and audited by the approved Circulation Auditor. Where the Return of Average Net Circulation includes other details to be used to vouch the certified data, this information will not appear on the Certificate and will not be made available to enquirers.

#### A1 Title

The registered title of the newspaper will appear on each page of the certificate. This will be the title as it appears on the cover of the newspaper. It may also include other identifying words where necessary and with the agreement of the Publisher and the Bureau. An example of this is group certificates which will have the words “Group Certificate” included within the title.

#### A2 Audit period

The start and end dates of the audit period certified will appear on each page of the Certificate. The audit period certified will be for the latest audit month. ABC will produce reports that will demonstrate the newspaper’s performance over longer periods such as an average over the latest six months. Whilst this data will not appear on an ABC certificate, it can be taken to be certified information. This data will not have been compiled by the Publisher, but by the Bureau from information already received and audited.

#### A3 Circulation auditor

The name of the Approved Circulation Auditor which has audited the circulation of the newspaper to ABC standards, will appear on the front cover of the Certificate.

#### A4 Circulation detail

This will include an analysis of circulation by geographical area (as noted below) and an analysis by type of sale (as noted below):

Total Average Net Circulation

This will be the total of the different geographical areas/types of sale, the ‘headline figure’.

Circulation by Geographical Area

The areas are:

- a) United Kingdom (UK);
- b) Scotland (S) - as a subset of UK
- c) Republic of Ireland (RoI);
- d) Other Countries.

Circulation by Type of Sales Method

The Types of sale are:

- a) Full Rate Sales;
- b) Lesser Rate Sales;
- c) Pre-Paid Non Postal Subscription Sales;
- d) Corporate Subscriptions
- e) Multiple Copy Sales;

For the UK, Scotland and RoI, the circulation will be analysed by type of sale. For Other Countries, the total average net circulation will not be analysed by type of sale.

#### A4.1 Counting of Sales in Scotland

The analyses of sales in Scotland must be claimed as follows:

##### Newstrade and single copies

These will be based on actual copies sold. Copies sold in Scotland will be determined from the net sales to the actual wholesalers. The wholesaler’s address will be used to determine which country the copies were sold. I.e. a wholesaler with a Scottish address will have assumed to have sold all their copies in Scotland. Single copy sales will be based on address of purchaser.

##### Paid Postal subscriptions

These will be based on actual copies sold and distributed. Copies posted to Scottish addresses will be counted as Scottish copies.

#### Corporate subscriptions

These will be based on actual copies sold and distributed. Copies distributed to employment locations with Scottish addresses will be counted as Scottish copies. The head office address of a company must not be used, each employment location must be identified and counted.

#### Multiple copy sales

These will be based on actual copies sold. This will be determined by the address of each distribution point, e.g. hotel in Edinburgh. The head office address of a group of outlets must not be used, each separate distribution point must be identified and counted. Copies intended for supply on trains or planes should be counted from the point of supply, e.g. Heathrow = England.

#### Pre paid non postal subs

These will be estimated using the following method. The list of subscribers must be checked on 31<sup>st</sup> January each year, and the number of Scottish addresses calculated as a proportion of total UK addresses. This proportion should be applied to the total UK pre paid postal subscription claim for the relevant audit period and an adjustment made.

Note: Records and evidence of the calculations used must be retained for audit and inspection for the relevant audit periods.

#### Posted money-off vouchers

A list of addresses (campaign by campaign) of the recipients of money-off vouchers should be scrutinised and the number of Scottish addresses identified as a proportion of total UK addresses. This proportion should be applied to the total UK voucher redemption of that particular campaign and an adjustment made.

Note: Records and evidence of the calculations used must be retained for audit and inspection for the relevant audit periods.

#### In paper money-off vouchers redeemed via head office of retail group (e.g. a supermarket)

The split between Scotland and the rest of the UK will be deemed to be in the same proportion as the total net sale between Scotland and the rest of the UK (excluding bulk sales)

#### In paper vouchers redeemed via wholesalers

This will be the same method as identified for newstrade copies above. i.e. vouchers redeemed via a wholesaler with an address in England will be counted against English sales.

### **A5 Publishing days**

The total number of available publishing days during the audit period will appear on page 2 of the Certificate. An available publishing day is a day of the week on which the newspaper is normally published regardless of whether a newspaper was actually published on a specific day. (e.g. Thursday 25<sup>th</sup> December is an available publishing day for a Daily Newspaper because it is a Thursday, rather than being excluded from the number of days because it is Christmas Day.)

The number of effective publishing days in the audit period will be appear page 2 of the Certificate. This figure will be the number of available publishing days less:

- a) Days on which the newspaper was not published;
- b) Official Bank Holiday issues that have been excluded pursuant to these rules;
- c) Issue excluded pursuant to an Official ABC Exclusion Note issued pursuant to these rules;
- d) Automatically granted Excluded Issues (such as Christmas/New Year issues ) pursuant to these rules.

### **A6 Excluded issues**

Where the number of days used to create the Total Average Net Circulation figure is less than the actual number of available publishing days, the difference is made up by excluded days. The issue dates for these days will be advised on page 2 of the Certificate.

### **A7 Basic cover prices**

A table of the Basic Cover Prices will appear on page 2 of the certificate. This table will show the Basic Cover Price for the newspaper, and where there are differing Basic Cover Prices by day of week for daily newspapers, these will be shown as well.

**A8 Paid postal subscription prices**

Paid postal subscription prices will appear on page 2 of the certificate. These prices will normally consist of a banding demonstrating the lowest and highest standard price for which a subscription is sold at in (a) the United Kingdom; and (b) the Republic of Ireland.

**A9 Pre-paid non-postal subscription sales**

A listing of the pre-paid non-postal subscription schemes currently being offered/fulfilled will be shown on page 2 of the Certificate. Four items will be shown in this regard:

- a) The newspapers involved in the scheme;
- b) The issues involved in the scheme;
- c) The scheme duration;
- d) The price of the scheme.

**A10 Sample certificate**

A sample blank certificate can be found in the appendix.

## SECTION B

### Core rules

#### B1 General definitions and rules

##### B1.1 What constitutes a UK national newspaper?

A UK National Newspaper is one which is widely distributed in at least one of the following:

- (a) England, Wales and Ulster; or
- (b) Scotland; or
- (c) the Republic of Ireland.

Widely distributed in this instance means handled by the majority of wholesalers operating in that region.

Where a newspaper operates alternative distribution methods, the ABC National Newspaper Working Party will decide whether or not the range of distribution is sufficiently wide to admit the newspaper to the ABC UK National Newspaper membership category. The applicant must submit such details of the distribution method used as will allow the Working Party to adequately consider the application. Newspapers already reporting in this membership category may continue to do so without the express need for ratification by the Working Party.

##### B1.2 An edition

A newspaper will be considered to have only one edition where, on each day of publication in the period:

- a) Every copy carries no less than 70% of the display advertising booked to appear in the main body of the newspaper (70% being defined as volume of advertising space and calculated in accordance with the methodology shown in rule B1.2.1); Note. For the avoidance of doubt, the main body excludes separate surveys and magazine sections.
- b) Every copy bears either the same logo-type/masthead (irrespective of colour) or a logo-type/masthead incorporating the generic name of the newspaper;
- c) Every copy carries the same date of issue; and
- d) Every copy is distributed no later than the published cover date and no earlier than 24 hours prior to the published cover date.

Where internet technology is used to transmit a newspaper to a location where it is printed on paper before sale to the reader, it will be eligible for inclusion in the reported circulation figures provided that it meets the conditions a) to d) above.

In addition, each copy of the newspaper, in whatever format, must meet the following conditions:

- e) It must physically resemble the main edition;
- f) All advertisements must be completely legible.

Copies which fulfil the above conditions except for a) will be considered to form a separate edition of the newspaper. The "main" edition will be the one which has the greatest level of sale within the newspaper's "core" country as defined in rule B7.2. In addition to this main edition, there may be one or more "other" editions. Within each such edition, all copies must meet conditions b) to d) above, otherwise that edition must itself be split into further editions.

Changed format versions (e.g. compact/broadsheet) will be considered a separate edition of the newspaper providing the requirements above are complied with. They must be reported as noted in (i) below.

In cases of doubt, the Chief Executive of the Bureau will rule whether a publication constitutes a separate edition.

##### Reporting of edition figures

All titles may show their sole or main edition in their reported sales figures. Other editions may be included in the reported figures only if:

- i A breakdown by edition is also reported monthly. In that breakdown, newspapers must show for each edition a geographical breakdown and breakdown of UK/Scotland/RoI sales by type of sale, exactly as planned within these rules for the title as a whole;
- ii The publisher offers advertisers the opportunity of booking advertisements to appear in all editions or selected editions at their discretion, and attention is drawn to this in the ratecard;
- iii Advertisers are informed in writing of which editions their advertisements are booked to appear in, and provided with written notification of any change from the original booking.

### **Non-eligible copies**

Where an edition or editions fail to meet the above criteria, the circulation of said editions must be excluded from the reported circulation figures, or must be certified separately provided that that edition/those editions also hold ABC membership.

A CD-Rom version of a newspaper will not be accepted as an edition of a UK National Newspaper. As such, no copies sold on CD-Rom may be included in the circulation figures of paper based media. Publishers of CD-Rom versions of UK National Newspapers may, however, apply for individual certification of that element of circulation.

Internet versions of a newspaper or other versions where the end user can access the newspaper through a computer screen or similar will not be accepted as an edition of a UK National Newspaper. Publishers may apply to ABC Electronic for separate certification of internet sites

### **B1.2.1 Method for calculating common advertising**

The following procedure should be used to calculate the percentage of common advertising in an edition:

- i) Identify the "main" edition of the newspaper as defined above
- ii) Compile a list of the applicable advertisements (as defined in rule B1.3) within the "main" edition
- iii) For each of the other editions, identify those advertisements that also appear in the "main" edition
- iv) Calculate the number of common adverts in the edition (identified in point (iii)) as a percentage of the number of adverts in the "main" edition (identified in point (ii)).
- v) The calculated percentage must be rounded down. E.g. 69.8% = 69%.

Note: This will ignore any advertisement that does not appear in the main edition but does appear in other editions.

### **B1.3 Advertising**

In the calculation of the percentage of display advertising that is carried within a given copy of the newspaper, the following will be excluded from that calculation:

- a) Advertisements carried in separate surveys or magazines included within the newspaper;
- b) Any advertisement which, in the opinion of the Advertiser and/or his Advertising Agency, cannot appear in a particular territory because its appearance would be illegal there;
- c) Any advertisement which would, in the opinion of the Publisher, render the newspaper illegal in a particular territory;
- d) Advertisements charged at non-ROP rates, where the Advertiser and/or his Advertising Agency is aware there may be some restriction on the publishing of said advertisement.

### **B1.4 Selling group certification/group certificates**

ABC will accept certification for a group of newspapers, provided that:

- a) each newspaper is a member of ABC and is registered as a UK National Newspaper;
- b) the Publisher has available to all enquirers a rate card/media pack covering that combination of newspapers.

The certificate for a selling group will be produced by ABC from the submitted Returns for the constituent newspapers. The group circulation figure will be the amalgam sum of its members.

ABC will not accept applications for group certificates where one or more components of the group is published on CD-Rom.

### **B1.5 Basic cover price**

The Basic Cover Price for a UK National Newspaper for ABC purposes will be the published cover price at which a single copy of the publication may be purchased without limitation and for an ongoing duration, in contrast to a short term cover price, or a special price to a limited class, or under limited conditions.

Where multiple cover prices by edition or by territory within the United Kingdom exist, the Basic Cover Price will be the price at which at least 80% of the circulation is sold at or below. This will allow for premium pricing which may be required in some circumstances to cover additional transport costs (for example to Ulster from the mainland).

For example, if a newspaper has the following circulation and cover prices:

- a. 100,000 copies priced at £0.60
- b. 500,000 copies priced at £0.50
- c. 300,000 copies priced at £0.42
- d. 200,000 copies priced at £0.40

Then the Basic Cover Price will be £0.50 as 90% of copies are sold at or below this price. Copies sold with the cover price of £0.60 and £0.50 are considered to be at full rate and copies sold at £0.42 and £0.40 are considered to be at below full rate.

If a premium cover price is reduced but still falls above the Basic Cover Price, it will still be considered to be a premium cover price and may be declared as being at full rate.

A cover price that is a reduction from a previous cover price, will not be accepted as a Basic Cover Price until it has been in place for a minimum term of two complete consecutive ABC Audit Periods and is not subject to any limitation as noted above.

All UK National Newspapers must publish a cover price on every copy of every issue of the publication claimed.

#### Omission of cover price

If a cover price fails to be published, for whatever reason, the publisher must notify ABC's Director of Newspapers and Consumer Magazines within 2 weeks of the issue or 3 working days before the Return submission deadline date (whichever is the sooner), including the reasons why it happened and what steps are being taken to prevent a recurrence.

ABC may request further information or documentation surrounding the omission before deciding whether the copies may be included in the ABC circulation claim. Note: For ABC to consider allowing such copies to be claimed, it must be demonstrated that the omission occurred as the result of exceptional circumstances and that a satisfactory audit trail to verify the sales claim is available.

If ABC is not notified by the deadline then the copies will automatically be excluded but the issue itself must still be included in the divisor used to calculate the average circulation for the period.

If ABC is notified by the deadline but it is still decided an issue or part of an issue cannot be claimed because of the omission of the cover price, the copies must be excluded but the issue itself must still be included in the divisor used to calculate the average circulation for the period.

#### **B1.6 Dates of distribution**

The date of distribution will determine in which audit period an issue will be counted. The date of distribution for an issue will be the date on which the majority of distribution for that issue took place.

Only those issues which were distributed on and in between the start and end dates of an audit period (as advised in the reporting calendar – see appendix for a sample), may be included in that audit period.

#### **B1.7 Effective issues**

This term refers to the number of issues which were published during the audit period and which are included in the circulation figures reported to ABC. Effective issues therefore excludes any issues which have been excluded by way of the exclusions rule in this rulebook.

#### **B1.8 Reader incentive promotions**

Where a Publisher promotes a newspaper by use of a reader incentive which allows the final purchaser to obtain a copy of the newspaper for less than the cover price by way of voucher presentation or refunds of part or all of price paid, the following will apply:

- a) Copies of a newspaper paid for by the final purchaser wholly by voucher(s) obtained from the Publisher (at no cost to the final purchaser) must be excluded from the circulation figures;
- b) Copies of a newspaper paid for by the final purchaser in part by voucher(s) obtained from the Publisher at no cost and in part by cash payment may be included in the circulation figures. The amount paid in cash by the purchaser must exceed the retail margin of the newspaper. Such copies must however be claimed as sales at 'Lesser Rate'.

Publishers must be able to demonstrate full auditing facility of each incentive promotion to the satisfaction of both the Bureau and the Auditor, if these copies are to be claimed.

The final redemption date of the offer by the reader and newstrade must be notified in the offer details, and must be circulated to wholesalers and retailers (if appropriate).

Auditors must give their careful attention to any incentives/offers in order to ensure that sales under such schemes are classified correctly, or disallowed as necessary. If any doubt exists it will be the duty of the Auditor to contact the Bureau. Because of the variety of circumstances it is desirable for the Bureau to have confidential advanced notice of any reader incentive offers where the Publisher is in any doubt as to the ABC treatment of the resultant circulation.

#### **B1.9 Provisions - redemption of vouchers**

Where a reduced price or free copy voucher promotion is in effect, the Publisher may account for redeemed vouchers on a 'wash through' basis, provided that the number of vouchers circulated, and therefore, the final up take of the offer, is in the opinion of both the Publisher and Circulation Auditor unlikely to affect the average net circulation by more than 2% (e.g. if the anticipated level of voucher redemption would result in 2% or more of the overall circulation being reclassified, or indeed disallowed, where 2% is of the audit period to be certified). Where the Auditor and/or Publisher considers that the average circulation will be affected by more than 2%, an appropriate provision for future redemption's (based on the publisher's prior experience of similar promotions) must be made at the audit period end.

It is imperative that all unsold, free and reduced price copies are correctly accounted for. This means that as well as reconciling the unsolds records, all provisions must be reviewed in the next audit period to test the accuracy of those provisions.

The current return must be adjusted to account for any over or under provision from a previous period, in either the UK, Scotland, Rol or Other Countries figures. No adjustment to previously certified figures will be allowed.

Vouchers can only be applied to the circulation in the month in which they are redeemed. An affidavit system for accounting for vouchers may be used provided the Circulation Auditor is satisfied with its operation.

#### **B1.10 Records to be held**

In all cases where records are referred to within various section of these rules these must be held in case of inspection or re-audit for a minimum term of 3 months following the expiry of the last audit period to which the record was relevant.

Where third party records confirm the detail contained on records further down the audit trail, (e.g. voucher handling houses reports summarising details from actual vouchers), it will not be necessary to retain the records from further down the audit trail, provided that both ABC and the Circulation Auditor confirm their acceptance of these records.

In addition to records required to be held as noted in the various sections of these rules, publishers must retain full issue by issue details of all copies delivered or produced by the printer, whether in-house or not, for issues of the newspaper distributed during the audit period. This includes invoices, purchase ledger accounts, bank statements, orders, etc. and third-party distribution evidence. All invoices from printers and distributors must clearly state the publication name, the issue identifier and the number of copies.

#### **B1.11 Alteration of requirements from previous rules**

Notwithstanding anything in these rules where circulation pursuant to a subscription scheme has been accepted under the July 1997 revision 2 rules as a particular type of sale, the publisher, may continue to treat the circulation as that type of sale until the expiry of the term of that scheme.

#### **B1.12 Sales outside of the UK and ROI**

Notwithstanding anything in B2, B3, B4 or B5, where sales are made to Other Countries on a Firm Sale basis the quantity supplied and paid for by the wholesaler, distributor, retailer, or other (as the case may be) will be the quantity that may be included in the ABC return of net circulation.

Where sales are made to Other Countries on a Sale or Return basis the quantity supplied and paid for by the wholesaler, distributor, retailer, or other (as the case may be) net of unsold/returned copies, will be the quantity that may be included in the ABC return of net circulation. Details under section B7.1 give advice on the reporting of unsold/returned copies.

Sales made outside of the UK and Rol will not be audited past the confirmation of sale and the application of credits/unsolds to that supply as applicable and noted above. For that reason no split of circulation by type of sale for Other Countries will be given by ABC.

### **B1.13 Voucher promotions**

There are a wide variety of different ways in which voucher promotions may be run. These rules do not cover by any means all of them. For schemes which publishers require advice on, ABC should be supplied with full written details so that the National Newspaper Committee can consider the implications upon the reporting of circulation.

Where two newspapers can be obtained together by way of a voucher, the combined price paid must exceed by at least £0.01 the cover price of the most expensive of the two newspapers. If this condition is not met, neither newspaper may be included within the circulation figures declared to ABC. If this condition is met, both newspapers are considered to be at Lesser Rate.

### **B1.14 Minimum Price for Newstrade and Single copy sales sold through non-traditional retail outlets**

Where copies are sold through non-traditional retail outlets and a reduction in the published retail margin (source: Retail Newsagent) is in place, then the minimum price paid by the final purchaser must be at least 10p or exceed the margin to the non-traditional outlet if this is higher than 10p.

## **B2 Full rate sales (Newstrade, single copy and paid postal subscriptions)**

### **B2.1 Definition of a sale**

A 'sale' a sale of a newspaper which contributes a positive financial contribution to the Publisher.

For copies supplied through Newstrade Channels this means that:

- a) the published cover price must exceed the Newstrade margins (Wholesale and/or Retail as applicable); and
- b) there must be an auditable incentive for unsold copies to be returned to the publisher.

Where these conditions are not met, the resultant circulation must be excluded from full rate sales through newstrade channels.

### **B2.2 Newstrade sales**

These are copies which the Publisher can prove were sold to wholesalers or retailers for onward sale to purchasers.

To qualify as full rate circulation, copies must fulfil all the following criteria:

- a) The copy must be knowingly paid for by the purchaser (a purchaser being an individual as opposed to a wholesaler or retailer – i.e. the final purchaser);
- b) It must be purchased at the Basic Cover Price;
- c) An audit trail must be in place to be able to vouch these details to the satisfaction of both the Auditor and ABC;
- d) There must be evidence of payment being received by the Publisher.

For the avoidance of doubt, pre-paid non-postal subscription circulation as defined in that named section, does not constitute newstrade circulation.

### **B2.3 Single copy sales**

A single copy sale is one where the Publisher has sold an individual copy to a purchaser. All the criteria as noted under Newstrade Circulation must be fulfilled for the copy to count as a single copy circulation. For the avoidance of doubt, pre-paid non-postal subscription circulation as defined in that named section, does not constitute single copy circulation.

### **B2.4 Paid postal subscription sales**

A paid postal subscription copy is one sent, either by post or courier or hand delivery, under a contractual agreement between the Publisher and the individual or company, in return for advance payment (or a commitment to pay) from the recipient or a third party. In the case of paid postal subscription sales, all the following criteria must be satisfied for a copy to be claimed as full rate:

- a) An auditable written or telecommunication request must be retained;
- b) The request must include the purchaser's full details (i.e. name, address, signature & date for written requests, name, address and ABC annual telecommunications check-back question for telecommunications requests);
- c) This request must also include the contractual details;
- d) There must be evidence of payment being received by the Publisher;

- e) The price paid by the subscriber must be at least the published BAR or at least a pro-rata rate of the published BAR.

For the avoidance of doubt, pre-paid non-postal subscription sales as defined in that named section do not constitute paid postal subscription circulation.

#### BASIC ANNUAL RATE FOR PAID POSTAL SUBSCRIPTIONS

The Basic Annual Rate for paid postal subscriptions (BAR) will be the published price at which an annual subscription to the newspaper may be purchased by any member of the public, in contrast to a special price only available to a limited class, or under limited conditions.

The Publisher must publish in some form of material freely available details of BAR(s), otherwise paid postal subscriptions cannot be included as full rate sales. There must be a single BAR for the United Kingdom. The Republic of Ireland and 'Other Countries' may have a separate BAR for each individual country and for different despatch methods.

The publisher may offer paid postal subscriptions for durations other than annual (e.g. 13 weeks) and other than every issue (e.g. weekend issues only or Thursday issues only) and such schemes may still be considered to be at BAR provided that the scheme is at a pro-rata rate of the BAR.

#### DUPLICATION TEST

A duplication test is to be carried out on the paid postal subscription circulation each audit period where that element of the circulation exceeds 1% of the total average net circulation, 1,000 copies per issue, or both.

The duplication test is a means of expressing the management control on this area of circulation and the level of control is expressed as a percentage where 0% represents no duplications and 100% represents all duplicates.

The test is to be conducted by the appointed circulation auditor and not the Publisher. The test method is therefore detailed in the audit programme. The Auditor will complete the relevant section of the Return Form advising the Bureau which list was used to conduct the test and the level of duplication found (as a percentage rounded down to the nearest whole number) or will advise N/A if the level of circulation is below the specified parameters.

#### PAID POSTAL SUBSCRIPTIONS IN ARREARS

This heading covers:

- a) existing subscriptions being fulfilled where the last payment made by the subscriber has ceased to cover copies being issued;
- b) new subscriptions generated on a bill-me basis where payment is not due until after one or more issues have been mailed.

The Bureau will allow inclusion of all paid postal subscriptions in arrears, accepted by the Auditors as having been generated following a positive contract to purchase and supported by a billing series.

A billing series will be taken to be at least 2 invoices, even where only one extra issue is supplied to the lapsed subscriber.

Where no subscription has been paid, copies supplied to the UK and RoI after 3 months from the date of commencement of the subscription term (6 months for Other Countries) must be excluded. All intentional free subscriptions (i.e. gratis) must be excluded from the circulation figures.

#### **B2.5 Records to be held - newstrade**

Full auditable details on an issue specific basis of the gross distribution in number of copies (by the Publisher and/or Distributor) as well as financial terms for every issue distributed during the Audit Period must be available. Records must distinguish between UK, Scotland, Republic of Ireland and Other Countries despatches.

Full details of the exact numbers claimed as unsold copies or returned copies (including undelivered, lost or stolen copies) must be available. This means claims for credit (by Wholesalers and/or Retailers) and credit notes (issued by the Publisher and/or the Distributor) for every issue must be kept, together with supporting

financial records. For the UK, Scotland and RoI this must be on an issue specific basis. For Other Countries this may be on a transactional basis, however these must be accounted for every month as a minimum. Where the level of unsolds is not known for later issues during the Audit Period, the Auditor must decide whether or not there is sufficient information available to calculate the expected level of future returns of unsolds and thereby make a provision for those unsolds. This is particularly important in the case of overseas sales, or where there has been a rise in gross distribution towards the end of the Audit Period, or a change in trading terms from Firm Sale to SOR (either temporarily or permanently) or vice versa. Please contact the Bureau if in doubt.

One copy of every issue of the Publication distributed during the Audit Period must be retained for use by the Auditor and/or the ABC.

All financial and other arrangements with Distributors, Wholesalers, Retailers, etc. with specific regard to cover price discounts, details on restrictions on the return of unsold or undelivered copies and details of the agreed Wholesale and Retail margins must be documented.

#### **B2.6 Records to be held – single copy sales**

Full auditable details, on an issue by issue basis, of the gross distribution in number of copies (by the Publisher and/or Distributor and/or Mailing House), as well as financial terms, for every issue distributed during the Audit Period, must be available. Records must distinguish between UK, Scotland, Republic of Ireland and Other Countries despatches. Full auditable details, on an issue by issue basis, of the cash book receipts for each copy (where supplied 'across the counter'), and written/telecommunications requests from the purchaser (for mailed copies) must be retained.

#### **B2.7 Records to be held – paid postal subscription sales**

Each audit period a copy mailing list must be retained for one issue from that audit period. The list to be retained is specified by the Bureau and no other list will be acceptable. Failure to retain this list will result in the exclusion of all paid postal subscription circulation for that audit period.

The list to be retained will be that for the issue distributed nearest to the 21<sup>st</sup> calendar date of the audit period. Where this issue was either not published or has been excluded under the exclusion rules in this rulebook, the previous effective issue within the audit period will be the issue for which a copy mailing list must be retained. As a minimum, this should be sorted geographically, and it is the Bureau's recommendation that within a geographical sortation the addressees are sorted by surname and initial alpha. Post code sorting is acceptable, however this may increase the cost of duplication testing where it is necessary to scan directs and residues in searching a particular geographical area. A summary will normally be needed to allow tests to be made of the claimed number of addressees.

There must be auditable proof of payment for each addressee claimed. Details of unpaid postal subscriptions (arrears) during the Audit Period, must also be available. If any of the above details are maintained by an outside agent, the Auditor must have full access to these.

#### **B2.8 General**

These definitions are designed to cover circulation attained through: newstrade circulation; single copy circulation direct to the purchaser; paid postal subscription circulation. Where a publisher devises a method of circulation outside of these methods and wishes to claim them as full rate sales, ABC must be informed in advance in writing so that consideration can be given to revision of these rules.

#### **B3 Lesser rate sales (Newstrade, single copy and paid postal subscriptions)**

##### **B3.1 Definition of a sale**

Where circulation would qualify as full rate sales but for the fact that the price paid by the purchaser is less than the Basic Cover Price or less than the published BAR as the case may be or would qualify as pre-paid non-postal subscription sales but for the fact that the duration of the scheme is less than 12 weeks (4 weeks from the October 2005 audit period), the circulation shall be treated as lesser rate sales.

#### **B4 Pre-paid non-postal subscription sales**

##### **B4.1 Definition of a sale (for pre-paid non-postal subscription sales)**

Pre-paid non-postal subscription sales are sales (other than on a multiple basis) to individuals who pay the publisher in advance to obtain at a fixed price copies of a daily newspaper and/or a Sunday newspaper for a specified period (not less than 12 weeks (4 weeks from the October 2005 audit period)) which copies are

supplied to the individual through the normal channels of newstrade distribution (i.e. via wholesalers and/or retailers and/or delivery agents).

For copies supplied through Newstrade Channels the following criteria must be met:

- a) the published cover price must exceed the Newstrade margins (Wholesale and/or Retail as applicable); and
- b) there must be an auditable incentive for redeemed vouchers to be returned to the publisher.

In addition, there must be an auditable incentive for redeemed vouchers to be returned to the Publisher.

The price payable may be less than the sum of the cover price(s) for the newspaper(s) to be supplied under the subscription.

Copies supplied pursuant to schemes of a duration less than 12 weeks (4 weeks from the October 2005 audit period) must be reported as Lesser Rate Sales.

#### **B4.2 Reporting to ABC**

The publisher must report each category of pre-paid non-postal subscription scheme (including the rate(s) applicable) and the total number of pre-paid non-postal subscription sales. ABC will publish this information by its normal means.

Any sale of a newspaper which qualifies as a pre-paid non-postal subscription sale cannot be reported in any other category.

#### **B4.3 Records to be held**

A record of current subscribers, details of scheme(s) operated by the publisher and a record of the total number of vouchers received by or on behalf of the publisher in any given audit period shall be available for inspection. There must be auditable proof of payment for each subscriber claimed.

#### **B4.4 Redemption of vouchers**

It is intended that the number of sales to be reported under this head in respect of any audit period shall be judged so far as is practicable by reference to the number of vouchers received by or on behalf of the publisher in that audit period but (in view of the delay between redemption of vouchers and receipt of such vouchers) this number shall be capable of adjustment with the agreement of the auditor having regard to the number of subscriptions current at the time and the normal level of voucher redemption by subscribers, with a view to reporting the figure which fairly and reasonably represents the actual number of such sales in the said audit period.

### **B5 Multiple copy sales**

#### **B5.1 Definition of a sale (for multiple copy sales)**

The minimum price that must be paid by the purchaser in order that multiple copy sales qualify for inclusion in the ABC figures per copy is the minimum legal tender in the UK, currently £0.01.

#### **B5.2 Definition of multiple copy sales**

A quantity sale of two or more copies of a single issue, resulting in such copies either:

- a) being distributed free of charge to the final recipient;
- b) being sold/distributed to a wholesale or retail company with the prior knowledge that they are not for re-sale to the final purchaser.

Examples of Multiple Copy Sales (which are by no means exclusive) include sales to airlines and hotels.

#### **B5.3 Requirements**

Sales may only be declared under this heading provided that all the following criteria are also fulfilled:

- a) The sale must be 'bona fide' and at arms length;
- b) A written contract must be in place as more precisely detailed below;
- c) All transactions must be fully documented including invoices raised and payments received;
- d) Proof of delivery by or on behalf of the Publisher must be obtained and retained. This may be either to an independent intermediary third party or to the actual purchaser. The objective is to have independent proof that the copies have left the publisher for delivery to the purchaser, via documentation outside of the control of the publisher;

- e) The quantity that may be included within the ABC circulation figures for any issue may not exceed the parameters listed in the appendix headed Multiple Copy Sales – List of supply types. Where any limit noted therein is exceeded, the number of copies over this limit are disqualified from inclusion in the ABC figures);

#### **B5.4 Reporting of multiple copy sales**

Multiple copy sales must be reported analysed and totalled by category according to audience type.

The categories are: Airlines, Hotels, Trains, Other publication insert, Voucher redemption, Sports Events, Leisure Centres, Food/beverage outlets and others.

*For Example:*

*Analysis by audience type*

<u>Category</u>	<u>Average Quantity</u>
<i>Airlines</i>	<i>450</i>
<i>Hotels</i>	<i>200</i>
<i>Trains</i>	<i>650</i>
<i>Other Publication Insert</i>	<i>500</i>
<i>Voucher redemption</i>	<i>800</i>
<i>Sports Events</i>	<i>0</i>
<i>Leisure Centres</i>	<i>0</i>
<i>Food/Beverage outlets</i>	<i>200</i>
<i>Others</i>	<i>0</i>
<i>Total Average</i>	<i>2,800</i>

#### **B5.5 Records to be held**

A written contract signed by both parties must be in place prior to initial supplies commencing. The contract must be exclusively for the supply of newspapers and must include details of:

- the newspaper(s) to be supplied;
- the price to be paid per copy;
- the quantity to be supplied per issue, or details of how quantities are to be advised;

Where quantities are not noted within the contract, the contract must instead detail how quantities are to be advised. In addition there must be a formal process for the notification of these quantities. Where the quantity supplied cannot be vouched to a formal notification of quantity at the time the ABC audit is conducted, the copies must be excluded from circulation declared to ABC.

The objective here is to ensure that evidence (beyond the control of the publisher) exists to confirm the quantity of copies that are required to be supplied for each issue. Examples of this may be wholesaler records which detail order quantities and are not open to alteration by the publisher.

In addition where the sale is not on a SOR basis the contract must specify that the purchaser is required to supply the details concerning total potential audience as detailed in the appendix headed Multiple Copy Sales – List of supply types. Where this is not supplied, the sales must be excluded from circulation declared to ABC.

#### **B5.6 Multiple copies supplied on a sale or return basis**

ABC will accept within the circulation declared on the Return Form, any Multiple Copy Sales derived through sale or return contracts, where there is an auditable incentive for copies not distributed to be returned to the publisher for credit. Such circulation will not be subject to the requirements outlined in the appendix section headed Multiple Copy Sales – List of supply types.

Where a publisher sells copies to a retail organisation on a sale or return basis, and one or more outlets do not advise a quantity that credit is required for, the publisher may not assume 100% distribution. Instead, through lack of audit evidence on the actual quantity distributed, no copies supplied through those outlets may be included in the circulation figures declared to ABC.

## **B5.7 Restricting multiple copy circulation to a percentage penetration figure**

It is intended that circulation gained via Multiple Copy contracts (with the exception of SOR contracts – see B5.6) be restricted in the number of copies that may be declared to ABC by means of a cap. This cap will take the form of a maximum quantity that can be declared to ABC according to the type of purchaser. The maximum quantity will be calculated as a percentage of the ‘total potential penetration’.

The total potential penetration must be derived from information that is auditable to the satisfaction of ABC. Examples of how this figure can be calculated are, for hotels, the total number of rooms, for aircraft, the total number of seats.

An appendix section entitled ‘Multiple Copy Sales – List of Supply Types’ gives details of categories of purchaser which are accepted as having a specific auditable method of calculating this total potential penetration, how this will be calculated and what percentage of that quantity will be accepted as the maximum quantity of copies that may be claimed.

Information from purchasers must be on a ‘by site’ basis. For example, supplies to hotels must show total room capacity by individual hotel rather than a total quantity of rooms across a hotel group.

Where total potential penetration cannot be audited to the satisfaction of ABC, the circulation must be excluded.

### **B5.7.1 Bar-coding as a means of proving distribution**

Where multiple copies are sold on a firm-sale basis, it will not be acceptable to prove the quantity distributed by means of a third-party report stating the quantity of copies that have been bar-code scanned at the point of distribution (or indeed at any other time). Instead rule 5.6 must be applied as well as the noted appendix item.

## **B5.8 Multiple copy sales redeemed by vouchers**

This covers schemes whereby a third party agrees to purchase copies on a multiple copy sale basis with the quantity to be paid for or the quantity distributed being determined by the uptake of a voucher promotion.

This type of scheme cannot have a total potential penetration figure so can only be allowed if made on a sale or return basis.

Where a multiple copy sale allows the final recipient to receive the newspaper by redeeming a voucher at a retail outlet (or other place at which the newspaper is available), the publisher must be able to provide a complete audit trail of the promotion to the satisfaction of both the Bureau and the Auditor.

The final redemption date of the voucher by the reader and newstrade must be clearly stated on the voucher and promotional material, and must be circulated to wholesalers and retailers (if appropriate).

Auditors must give their careful attention to such schemes to ensure they are classified correctly, or disallowed as necessary. If any doubt exists it will be the duty of the Auditor to contact the Bureau. It is advisable for the Bureau to have confidential advance notice of any such promotions where the Publisher is in doubt as to how the resultant circulation will be treated.

## **B5.9 Multiple copy sales to airlines and airport lounges.**

*Where a publisher uses a distributor who also provides an administration service in respect of newspaper sales to the airline, then the financial relationship between the publisher and the distributor may infringe the contra rule.*

*It is intended that such copies may be claimed under the following conditions.*

The principle is to allow copies where:

- a publisher uses an approved distributor to distribute newspapers to airlines or airport lounges and
- the distributor provides a service to the publisher which involves charging the airline for newspaper sales and collecting the monies on behalf of the publisher. These monies (or at least 1p per copy minimum) are in turn remitted to the publisher by the distributor.

The distributor will be deemed to be the publisher in relation to the sale. This will mean that audit tests will be conducted between the distributor and the individual airline as if the distributor were the publisher. Positive contribution, contras etc will be tested in the normal way, but applied to the distributor.

Copies which are not sold on to airlines or airport authorities or cannot be proven as sold to airlines and airport authorities will not be allowed. This might be because invoices and/or payments are not available, or that the distributor and airline have established a contra arrangement for other goods and services.

It is the publisher's responsibility to ensure that the distributor will make available to the auditor and ABC any documents to prove that the copies were distributed and paid for by the airline.

#### **B5.9.1 Approved Distributors**

Current approved distributors are Dawson Media and Media on the Move.

Publishers may add other distributors to the list, providing they are ABC compliant, and that ABC is notified.

#### **B5.9.2 Records required**

a) There must be a contract between the publisher and the distributor, setting out:

- that the distributor is acting as a distributor
- that the distributor will invoice the airline for the purchase of copies at a given rate (at least minimum per ABC rules)
- the type of sale to the airline or airport lounge, i.e. firm sale or sale or return. If firm sale, then details of the number of flights and the number of seats must be provided, if Sale or Return then signed affidavits must be provided for each issue.

b) Newspaper sales invoices from distributor to airline, and payments from airline to distributor must be available for auditors, and ABC

c) Newspaper sales invoices from the publisher to the distributor, and payments from distributor to publisher must be available for auditors, and ABC

d) The invoices must state the number of copies sold (by issue) and the price per copy.

#### **B6 Corporate subscriptions (from January 2006 audit period up to and including the December 2006 audit period)**

*This rule is to be reviewed by the ABC National Newspaper Specialist Committee after 6 months and 12 months operation and will expire on 31 December 2006. ABC will report the employers who have purchased copies claimed under this rule to the Specialist Committee for information.*

#### **B6.1 Definition of a corporate subscription**

A corporate subscription is a subscription for more than one copy, purchased on a contractual basis by an employer for its employees solely for the purpose of them carrying out their work duties, and where details of the final recipient are not known.

For the avoidance of doubt copies purchased by an organization for their customers cannot be included under this category but may be eligible for inclusion under Multiple Copy Sales providing the requirements of that category are met.

#### **B6.2 Requirements**

- Details of the final recipient do not need to be known but the publisher must be able to demonstrate that the subscription copies are delivered to the same fixed pool of individuals e.g. employees of a department or company who can reasonably be expected to be present at the same delivery location on an on-going basis.
- Payment must have been made (or committed to pay – see rule B6.5) for the publication to be delivered on an every issue basis, or other regular contractual basis.
- The minimum subscription term will be 4 weeks.
- The minimum price per copy paid by the subscriber will be 30 percent of Basic Cover Price or 10 pence, whichever is the higher.
- The quantity that may be included within the ABC circulation figures for any one employer location may not exceed 50% of the number of employees at that location. The number of employees will be determined as a matter of fact annually or at the start of each subscription term, whichever is the sooner.
- The distribution of copies must be designed to ensure copies are for employees. E.g. copies placed in the public foyer of a bank will not be allowed as customers of the bank will have access to the newspaper.

#### **B6.3 Subscription incentives/offers**

The variety of circumstances makes uniformity impossible, but publishers must give their careful attention to any incentives/offers in order to ensure that sales under such incentives/offers are allowed or disallowed as necessary in relation to the minimum price paid. In case of any doubt as to how a copy sold under an offer should be claimed, please contact ABC.

#### **B6.4 Records required**

- All evidence supporting new and renewal subscriptions. This will include every subscription application, card or other written document for each transaction for which a copy has been claimed during the Audit Period. This data may be held on microfiche or other electronic storage system providing that any documents maintained in this format cannot be altered and providing the Publisher accepts that it is his duty to ensure the details are auditably legible. If the details cannot be audited the copy cannot count. All the request documentation must be kept for the period specified in rule B1.10.
- Auditable proof of payment for each copy claimed.
- Details of the onward distribution method for each sale e.g. Barclays Bank place them in dump bins in the staff rooms and evidence that the subscription copies for each transaction are delivered to the same fixed pool of individuals e.g. employees of a department or company who can reasonably be expected to be present at the same delivery location on an on-going basis.
- Name and contact details of the responsible person receiving the copies for onward distribution
- Details of unpaid subscriptions (arrears) during the Audit Period.
- Details of subscription rates and special offers during the Audit period.
- Complete list of copies claimed by destination/purchaser for each issue
- Evidence of distribution (e.g. courier's invoices and advice notes, postal receipts etc).

#### **B6.5 Subscriptions in arrears**

- ABC lays down guidelines only for unpaid subscriptions, or renewals of current orders. ABC will allow inclusion of all subscriptions meeting these rules providing they have been generated following a positive contract to purchase and the publisher's normal credit procedures are being applied for collection of payment.

#### **B7 Circulation that must be excluded**

##### **B7.1 Unsold/returned copies**

Currently circulation in both the UK and RoI through newstrade channels (with the exception of multiple copy sales) is made on the basis of Sale or Return. If at any time a publisher intends to alter policy to either Firm Sale or a combination of Firm Sale and Sale or Return, ABC must be informed in writing in advance so that the Working Party may consider the implications upon the reporting of circulation.

In the UK and RoI this circulation must be accounted for on an issue specific basis. For Other Countries, circulation may be accounted for on either an issue specific basis or on a transactional basis (returns deducted according to when they were received back for credit). In the case of the latter, returns must be accounted for on a monthly basis as a minimum.

For Multiple Copy Sales, where the contract to supply allows for the credit of unsold copies, these must be deducted from the supply on an issue specific basis when declaring the circulation to ABC.

##### **B7.2 Provisions - general**

Where strict application of the above (particularly at the beginning and end of an audit period), produces a net circulation figure not truly indicative of the actual net position or, where the true level of unsold copies is not known due to the time lag involved in processing them, then in order to arrive at a more fair and reasonable representation of the net circulation, a provision for future returns must be created. This will be based upon:

- i) historic data and seasonal trends for previous years; and
- ii) the total distribution for each issue during the audit period; and
- iii) knowledge of current market demand.

All such provisions must be entered on the return under the relevant section.

The provision made in the previous audit period and the actual unsolds relating to that provision must also be stated on the current return, and an adjustment must be made to the current periods figure to account for any variation between the two. The adjustment will be (in average copy terms) the difference between the last certified figure and what that figure would have been, had the current data been available.

Where a Publisher uses the transactional method to account for unsold copies for countries outside of the UK and RoI, the Publisher may opt not to make a provision for future unsolds, provided that they are able to satisfy the Auditor of the gross distribution trend, and the pattern and rolling nature of the unsold copies.

If the Auditor decides that a provision is necessary, but is unsure of the level of provision required, or if there is insufficient information available upon which to make a provision, the Bureau must be contacted prior to the submission of the Return.

If any doubt exists it is the duty of the auditor and publisher to consult with the bureau before creating a provision.

### **B7.3 Free copies**

All copies sent free and post free, or given away without charge by the Publisher, such as those sent to contributors, Advertisers or Advertising Agencies (for the purpose of checking that advertisements have been correctly carried) and press cutting agencies, must be excluded unless they meet the criteria of the Multiple Copy Sales section of these rules. This includes file copies and free employee copies. If at any time a Publisher intends to introduce an Employee copy purchase scheme, the ABC must be informed in writing so that the Working Party may consider its implications.

### **B7.4 Bound volumes**

Bound volumes of back issues are not eligible for inclusion in circulation figures.

### **B7.5 Contra transactions**

All copies sold to another person for sale, resale or subsequent transfer back to the Publisher, a subsidiary of the Publisher or other associated undertaking, must be excluded. Where the price paid for any copies is reimbursed in whole or in part to the Purchaser in cash, kind or by contra the Sales must be excluded.

Deals on advertising or sponsorship messages related to the purchase of the newspapers are specifically unacceptable. For the avoidance of doubt this is not limited to advertising or sponsors' messages printed in the newspaper.

Where the Publisher: owns, partially owns or has a controlling interest in the company which is normally involved in the day to day distribution of the newspaper or where both companies are owned or controlled by the same parent company copies distributed in this manner will not be excluded, provided that:

- a) the records of that company carrying out the distribution are audited to the next point in the distribution chain, ensuring from that point the copies are fully auditable in accordance with these rules; and
- b) a complete and secure audit trail exists to the satisfaction of both the Auditor and ABC.

### **B7.6 Back issues**

Any issue of a publication distributed that is dated prior to the current issue shall be considered a back issue. No back issues are to be included in the ABC Return.

### **B7.7 Employee purchase schemes**

No circulation gained through employee purchase schemes may be included in the ABC Return.

## **B8 Exclusion of a published issue**

### **B8.1 Reasons for exclusion**

A Publisher may exclude an issue from the Publisher's return of Net Circulation, provided that the Publisher is in possession of an official ABC exclusion note.

The Bureau will only consider applications for exclusion notes where the publisher can demonstrate that a material loss of circulation has occurred. Material means a loss of at least 10% of the UK and RoI circulation less any multiple copy sales.

The material loss of circulation will be calculated by comparing the UK and RoI circulation for the affected issue against the average UK and RoI circulation for the previous four equivalent issues. (e.g. for a Monday issues, the previous four Mondays). Where one or more of these previous issues being already excluded owing to either a Bank Holiday, or one of the automatically granted Christmas/New Year excluded issues, this issue will not be included as one of the four comparable issues and the publisher must go back one issue further. If one of the previous four issues has been excluded by way of an official ABC exclusion note, it will be included as one of the previous issues in the above calculation.

In addition the publisher must then show causality. These will be the circumstances which have resulted in the loss of circulation. ABC will accept as causality: circumstances which can be proven to the satisfaction of ABC as being beyond the control of the publisher.

Examples of causality which may be accepted, include industrial action, computer failure or machinery breakdown, which prevents the timely distribution of the publication. Examples which will not be accepted as being beyond the publishers control include editorial content, poor sales days and minor delays in distribution.

The publisher must detail in writing the causality. ABC retains the right to request whatever additional information it believes is required in order that a decision may be reached on whether the causality given is sufficient to grant the exclusion.

In all cases, applications for exclusion notes must be made in writing on an official ABC exclusion note request form (see appendix) forwarded to the Director of Bureau. This application must be made within seven days from the cover date of the issue for which an exclusion application is to be made.

Details of all excluded issues must appear on the Publisher's return of Net Circulation, in the space provided and the number of effective publishing days will be used to calculate the average net circulation.

A copy of the Exclusion Request Form and any supporting information will be made available to all enquirers. In addition the general reasons for exclusion will be advised in the ABC monthly report and in the Certificate.

If an exclusion note is subsequently called into question the matter shall be dealt with as part of the ABC disputed procedure.

## **B8.2 Official national public holidays**

Each newspaper registered as a UK National Newspaper is required to advise ABC which Country is it's 'core' circulation area. Official National Public Holiday issues from that core Country may be excluded at the option of the Publisher without application for an exclusion note. A list of recognised National Public Holidays by core Country is detailed under B8.4.

Easter Sunday will be treated as an official National Public Holiday by ABC, and as such may be excluded at the option of the Publisher without the need to apply for an ABC exclusion note.

## **B8.3 Christmas and new year trading period exclusions**

Issues published during the Christmas and New Year trading periods may be excluded at the option of the Publisher without the need to apply for an ABC exclusion note. The issues accepted as being applicable to the Christmas and New Year trading period will be, from and including Christmas Eve, up to and including the first Sunday after New Year's Day.

In some cases the fall of days may render this arrangement inappropriate. Where this is the case ABC will consider representations from any of the trade bodies concerned, or directly from a publisher, and reserves the right to amend the dates allowed for that particular year.

## **B8.4 Bank holidays**

The Official National Public Holidays which are accepted by ABC as being eligible for automatic exclusion at the option of the Publisher without the need for referral to ABC are:

### England, Wales

1. New Years Day – January 1<sup>st</sup>
2. Good Friday – March/April
3. Easter Sunday – March/April
4. Easter Monday – March/April
5. May Day – First Monday in May
6. Spring Bank Holiday – Last Monday in May
7. Summer Bank Holiday – Last Monday in August
8. Christmas Day – December 25
9. Boxing Day – December 26 or Monday following

### Scotland Only

1. New Years Day – January 1<sup>st</sup>
2. New Year Holiday – January 2<sup>nd</sup>
3. Good Friday – March/April
4. Easter Sunday – March/April

5. Easter Monday – March/April
6. May Day – First Monday in May
7. Spring Bank Holiday – Last Monday in May
8. Summer Bank Holiday – Last Monday in August
9. Christmas Day – December 25
10. Boxing Day – December 26 or Monday following

#### Ulster Only

1. News Years Day – January 1<sup>st</sup>
2. St Patrick's Day – March 17<sup>th</sup>
3. Good Friday – March/April
4. Easter Sunday – March/April
5. Easter Monday – March/April
6. May Day – First Monday in May
7. Spring Bank Holiday – Last Monday in May
8. Battle of the Boyne – Second Monday in July
9. Summer Bank Holiday – Last Monday in August
10. Christmas Day – December 25
11. Boxing Day – December 26 or Monday following

#### Republic of Ireland Only

1. News Years Day – January 1<sup>st</sup>
2. St Patrick's Day – March 17<sup>th</sup>
3. Good Friday – March/April
4. Easter Sunday – March/April
5. Easter Monday – March/April
6. May Day – First Monday in May
7. June Holiday – June 2<sup>nd</sup>
8. August Holiday – First Monday in August
9. October Holiday – Last Monday in October
10. Christmas Day – December 25
11. Boxing Day – December 26 or Monday following

## SECTION C

### Audit procedures

#### C1 Reporting periods

##### C1.1 Audit periods and circulation to be reported

- a) Circulation details are to be reported to ABC each audit period on the Publisher's Return. A shorter or alternative period may be reported on the launch of a Newspaper, as detailed more completely below or by prior agreement under exceptional circumstances with the Bureau.

An audit period will be a four or five week period commencing on a Monday and ending on a Sunday. The particular dates to be included in each audit period will be notified to Publishers on the Nationals Accounting Months Calendar, from time to time, published by the Bureau, in agreement with the NPA Circulation Executive Committee.

Publishers must include all issues for which the majority of the distribution took place within the Audit Period unless an issue was either not published or has been excluded in accordance with the exclusions section of these rules. Issues which were distributed outside of the specified dates for the Audit Period must be excluded.

It is mandatory to submit Returns to the Bureau for all Audit Periods. That is to say, no matter what the circumstances, whether they be expansions or contractions of circulation, mergers, changes of title, format, Publisher or methods of distribution, net circulation must be reported on a continuous basis whilst the publication remains in membership of the Bureau.

- b) Net Circulation each audit period must show all of the following, where applicable:
- i) Total average net circulation;
  - ii) UK total net circulation;
  - iii) Republic of Ireland total net circulation;
  - iv) A total of all the other countries total net circulation.
- for each audit period.
- c) An analysis of the United Kingdom and Republic of Ireland total average net circulation must be given each audit period, as follows:
- i) Full Rate Sales;
  - ii) Lesser Rate Sales;
  - iii) Pre-Paid Non-Postal Subscription Sales;
  - iv) Corporate Subscriptions
  - iv) Multiple Copy Sales;
- d) For each December and January audit period Publishers will supply two additional Returns to the Bureau. These will cover:
- i) the first will cover the *normal* December/January audit periods;
  - ii) the second will cover the *Christmas/New Year* trading periods.
- The particular dates to be included in these Returns will be notified in advance to Publishers and their Auditors, after agreement with the NPA Circulation Executive Committee.

It is therefore necessary for Publishers to ensure the split is available and auditable if any circulation is to be declared in other countries.

##### C1.2 A newly joining UK national newspaper - retrospective first audit

A newly joining publication may request to have certified up to the immediately preceding six audit months.

Once the audit periods are agreed by the Bureau (this will be done by confirmation of the newspapers membership being posted) no changes to those audit periods will be acceptable.

Publishers are, therefore, asked to give this matter careful thought when applying for ABC membership for their Newspapers.

## **C2 Time limit for receipt of returns**

### **C2.1 Time limit for receipt by ABC of the fax copy of the circulation return**

Facsimile copies of the Return must be received at the Bureau by 12 noon on the date specified on the Nationals Accounting Months Calendar. Any facsimile Returns received after this time, for whatever reason, will be deemed late. The figures for those newspapers which report late may be omitted from the published ABC summary, in which case a "NOT REPORTED" entry will appear.

The Publisher's Return of Net Circulation must be received at the Bureau within the deadline specified on the National Accounting Months Calendar. Any returns received after the date specified will be deemed late, and subject to the late submission penalties.

The late submission penalty currently in effect is a surcharge of 25% of the newspaper's annual membership fee or £300.00 (or such other amount as advised and agreed by the ABC Council), whichever is the greater.

Newspapers which repeatedly report late (or who do not report at all) will be REPORTED TO THE ABC COUNCIL, who may at their discretion terminate the membership of the Newspaper concerned. Repeatedly will be taken to be three out of the latest twelve returns received late.

No matter what the circumstances, a Return must be submitted to the Bureau within the time limit specified above via the Approved Circulation Auditor for each and every audit period. If the Auditor cannot conduct a proper audit, or has to qualify the audit report, the Return must still be submitted to the Bureau in time, with a covering letter explaining the problems.

The only document (other than an explanatory letter as noted above) to be faxed to the Bureau is the Publishers Return of Net Circulation. Original copies of the Return and all other supporting documents must be forwarded to the Bureau by first class mail or courier, once the facsimile transmission has been completed.

The attention of Auditors is drawn to the fact that the earlier the Bureau receives a valid original copy the Return, the earlier a certificate can be issued.

No certificate can be issued before the original copy of the return had been received.

## **C3 The summary report**

Staff at the Bureau will process Returns received within the deadline as quickly as possible.

Normally, this will mean that the Bureau will be in a position to issue a summary report to the Publishers of UK National Newspaper titles on the Friday following the submission deadline date.

This report will also be released the trade press on the Friday following the submission deadline date.

## **C4 AUDITORS**

### **C4.1 Appointed circulation auditors**

The Circulation Auditor of any publication in membership must either be the Financial Auditor of the publication, or if responsible for circulation only, have full and free access to all financial and other records connected with the publication as far as may be necessary to secure completeness and accuracy of the Circulation Audit whether these records are at the Publishers' premises or elsewhere.

Publishers must assume their share of responsibility for the accuracy of the Return.

The ABC Return is to be forwarded to the Bureau by the Circulation Auditor, once completed and signed by both the Chief Circulation Executive of the Publisher (or his authorised deputy) and the Circulation Auditor, accompanied by a fully completed Audit Programme.

The Auditor throughout these rules refers to the Circulation Auditor approved by the Bureau.

### **C4.2 Audit procedures**

It is the recommendation of the Bureau that the Circulation Auditor used is also the Financial Auditor of the publisher.

If full records necessary to conduct the audit in accordance with the notes and instructions are not available, or if full and free access to them is not given to the Auditor, the audit must be stopped and the Bureau contacted immediately.

If an Auditor cannot form an opinion on the data on the Return, or disagrees with the data therein, the Bureau must be notified, in writing, prior to the deadline for submission of the Return.

In all cases the Auditor who reports to the Bureau on the ABC Audit Return must be the Circulation Auditor as registered and approved by the Bureau.

Any change of Circulation Auditor must be notified to the Bureau in writing and must be agreed by the Bureau. This notification and agreement must take place prior to the audit being undertaken to avoid undue cost and delay in certification.

Any change to the Circulation Auditor details (such as a change of senior contact responsible for the Circulation Audit) must be advised to the Bureau on the space provided on the Return.

The Auditor must ensure that the latest copy of the Bureau's Audit Rules are used and that the contents are understood, in order that all details certified to the Bureau are in accordance with the Rules.

The Bureau appreciates that the auditing of circulation is by its nature not a normal part of accountancy training and that the report must be completed to a strict time scale.

With this in mind we ask that you contact the Bureau if you have any queries before submitting the Return and preferably before the audit is started.

#### **C4.3 Letter of engagement**

A letter of engagement from the Appointed Circulation Auditor to the Publisher and signed by both parties, outlining the duty of the Auditor to the Bureau must be obtained by the Publisher, and a copy filed with the Bureau. No ABC Circulation Audit should be started without receipt of written confirmation from the Bureau that this has been done. The letter of engagement must include, the following terms:-

- a) The Auditor accepts that there is a duty of care with respect to performing the Audit Programme (in accordance with these notes and instructions) from the Auditor to the Bureau and that the Auditor is reporting to the Bureau.
- b) The Auditor and the Publisher accept that they will supply to the Bureau, or its appointed agents, such information as the Bureau may reasonably require as relevant to the Publication under audit and other Publications published by the Publisher.
- c) The Auditor and Publisher accept that any audit conducted on behalf of the Bureau must be conducted in accordance with the Audit Rules, Notes and Instructions contained herein, as updated at the time the audit is conducted.
- d) The Publisher and/or directors of the publishing company are responsible for producing the circulation data, maintaining proper records and completing the ABC Return, and have a duty of care to the Bureau. They are responsible for ensuring that the non-financial records are reconcilable with the financial records.
- e) The management of the Publisher will make available to Auditors all records, correspondence, information and explanations that the Auditors consider necessary to enable them to form their opinion.
- f) The Auditor and Publisher accept that any audit conducted on behalf of the Bureau cannot be accepted as being complete, unless the Auditor has been given full and free access to all financial and other records in connection with the distribution of the Publication under audit, and the Publisher shall procure that any such records held by a third-party are made available to the Auditor.
- g) The Auditor has a professional responsibility to report to the Bureau if there have been any limitations on or restrictions to the scope of the audit work, and/or the completed Return does not comply with the rules.
- h) The Auditor will report to the management of the Publisher any significant weaknesses in the circulation systems, or any other matters arising from the audit, which the Auditor believes should be brought to the attention of the Publisher.

- i) The responsibility for prevention and detection of fraud and irregularities rests with the management of the Publisher.

#### **C4.4 The audit programme**

Any revisions to the Audit Rules, and a copy of the Audit Programme will be supplied to Publishers prior to the end date of each Audit Period, for use by Publishers and their Auditors. It is the duty of the Auditor to ensure that only the most recent editions of these are used during any given Circulation Audit.

The Circulation Auditor will fully complete the Audit Programme for each ABC Return submitted to the Bureau. The Audit Return will not be processed by the Bureau unless the Bureau has received a signed completed Audit Programme, from the Circulation Auditor, for the Audit Period covered by the Audit Return. The Programme must be complete, and will be checked by the Bureau when the records for that Publication are inspected by the Bureau under the random inspection programme.

If the Bureau decides that a Programme was incorrectly completed at the time of the submission to the Bureau, then the Bureau may exercise its right to withdraw any certificates issued based on that programme, and refuse to issue any further certificates until it is satisfied that all audit work has been undertaken in accordance with the rules.

#### **C4.5 Correspondence between the bureau and the publisher**

The Auditor shall have the right of access to all correspondence between the Bureau and the Publisher.

#### **C4.6 Correspondence between the bureau and the auditor**

It will be the duty of the Auditor to ensure that the Bureau is notified, in writing, of any changes to the person to whom the Bureau should send details of revisions to ABC Rules and procedures, and also of audit personnel whom the Bureau should contact when problems are encountered with ABC Returns submitted to the Bureau.

#### **C4.7 Third-party records**

The attention of Publishers and Auditors is drawn to the Bye-laws which require that where a Publisher appoints a third-party to deal with part of his circulation or distribution of a publication, whether the third-party is in ownership of the Publisher or not, the Publisher must provide a letter of confirmation from the third-party to the Bureau that full and free access to all records (financial or otherwise) will be given to the Bureau, or its appointed agents, or the Circulation Auditor within seven days, by arrangement. Refusal of access will preclude the issue of a certificate of net circulation.

Should such full and free access not be given to the Auditor, the audit must be stopped and the Bureau contacted immediately.

For the purposes of the Audit Section of these Rules, the following terms shall mean:

- i) Publisher

This refers to both the company who publish the newspaper and any third party which carries out an element of their circulation function.

- ii) Transport Company

A transport Company is a company used to ship copies to their destinations and which has no involvement in the terms copies are sold at.

- iii) Distributor

A Distributor is a company which undertakes the Newstrade (and sometimes the Multiple Copy Sales) functions. This may include both financial and distribution responsibilities to the Wholesale, Retail level.

- iv) Subscription Bureau

A Subscription Bureau is a company contracted by the Publisher to carry out the whole of their postal circulation function. They will normally also maintain the database of postal recipients.

- v) Mailing House

A Mailing House is a company contracted by the Publisher to mail copies directly to purchasers. They will not normally maintain the Publishers database.

Where third-party companies such as (iii) to (v) above are used by the Publisher, the circulation and related financial records of these companies must also be audited.

#### **C4.8 Audit opinion**

The Auditor must only submit a signed ABC Return to the Bureau when the Auditor is satisfied that the standard statement of audit opinion can be signed without any reservations.

If the Auditor has any doubts as to the materiality of any point found during the audit, or if the Auditor has not had full and free access to all the documentation required under the Audit Rules, the Return must not be signed unless and until the problems have been discussed with the Bureau.

To comply with the time limits for receipt of the Return by the Bureau, the Auditor must ensure that contact is made with the Bureau, in writing, well before the deadline for submission.

EXAMPLES of problems which are by no means exclusive, include:

- a) Some print bills are not available;
- b) A mailing list is not available or not in an auditable form;
- c) Access is denied to the financial records of the Publisher;
- d) Third-Party records are not accessible;
- e) There has been a change of distributor during the Audit Period and there is doubt as to the accuracy of *Unsold/Returned Copy* records.

The Return is to be sent to the Bureau by the Circulation Auditor, once completed and signed by both the Chief Circulation Executive of the Publisher (or his authorised deputy) and the Auditor, and in compliance with the requirements of the Time Limit For Receipt of Return.

#### **C4.9 INSPECTIONS**

##### **C4.9.1 Introduction**

Inspections are conducted by ABC staff auditors on all publications which are not audited by ABC staff auditors. All publications are inspected at least once every year on average. This frequency is set as a minimum by the ABC Council and it is possible for a publication to be inspected more frequently.

##### **C4.9.2 Date of the inspection**

ABC will contact the publisher of each publication with a proposed date for the inspection visit. Once this date has been mutually agreed, it may only be altered in exceptional circumstances. The publisher's auditor will be notified of the inspection visit date.

##### **C4.9.3 Additional hours**

If any records as required by this rulebook are not available for the auditor during the inspection, or the complexity of the publishers systems results in an over run on standard budgeted inspection time (22.5 person hours), ABC may not proceed with the inspection unless the publisher authorises an additional hours approval form. The additional hours rate is published on the ABC fee sheet.

##### **C4.9.4 Inspection result**

- Following the on-site visit, publishers will receive a letter detailing any outstanding information required from the publishers to complete the inspection
- A deadline for receipt of that information will be stated in the letter.
- If there are material problems identified at the inspection then an Inspection Report letter will be sent to the publisher. (see below)
- Once the inspection is completed publishers will receive a management letter that will detail issues which need to be addressed by the publisher to prevent problems on future audits and inspections.
- A copy of the management letter will be sent to the publisher's appointed auditors.

##### **C4.9.5 Inspection Reports**

This is a statement that is issued when material problems found at inspection show that there were errors in the original return submission and subsequent certificate. A revised certificate is issued with the inspection report entered on the front page of the certificate. The new certificate replaces the original certificate issued and must be used by the publisher in its place. The National Newspapers' monthly report will also be amended and reissued containing the inspection report.

- In cases where an Inspection Report is necessary, the publisher will receive a letter detailing the reason for the Report.
- The publisher will have 10 working days from the receipt of this letter to provide any further information or to raise any objections.

- Any objection must be made in writing to the Head of Audits & Inspections who will investigate and provide a decision within 7 days.
- The publisher will be phoned by ABC to confirm receipt of the Inspection Report letter, BUT, in the absence of any further response in writing from the publisher, the Inspection Report will be issued.
- Subsequent Certificates of Circulation will not be issued until all inspection queries on a previous Certificate have been resolved and the Inspection Report issued, if applicable.

#### **C4.9.6 Publicising of Inspection Reports**

- Inspection Reports will be announced to all members and made public on the ABC website, with details of the corrections made. They are also publicised in ABC Media.
- BRAD will report the fact that an Inspection Report has been issued.

#### **C4.10 Auditors assistance with ABC inspections**

Auditors will be expected to attend, when so requested by the Bureau, at inspections forming part of its random inspection programme and to afford the Bureau, or its appointed agents every assistance as regards the conduct of the audit of the ABC Return of Net Circulation.

## SECTION D - DIGITAL EDITIONS

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### 1 INTRODUCTION

### 2 DEFINITION OF A DIGITAL EDITION

### 3 PRINCIPLES OF AUDIT

### 4 REPORTING OF DIGITAL EDITIONS ON THE ABC CERTIFICATE

### 5 REGISTRATION OF DIGITAL EDITIONS WITH ABC

### 6 AUDIT RULES - PAID DIGITAL COPIES

#### 6.1 CORPORATE/GIFT SUBSCRIPTIONS

#### 6.2 RECORDS REQUIRED

### 7 STANDARDS OF AVAILABILITY

### 8 PUBLICITY RULES

#### 8.1 USE OF ABC DATA – DIGITAL EDITIONS

#### 8.2 COMPARISONS – DIGITAL EDITIONS

#### 8.3 USE OF ABC LOGOS – DIGITAL EDITIONS

### 1 INTRODUCTION

Digital editions (or 'e-publications') of a magazine or newspaper may be included on the ABC certificate. They are not included in the average net circulation figure and must at all times be reported separately from the print copies.

Note: Publishers who wish to include digital copies must register and gain approval of their systems from ABC before any issues can be claimed.

### 2 DEFINITION OF A DIGITAL EDITION

- A digital edition is defined as a replica of the print publication distributed electronically as a unit.
- The overarching principle behind the definition of a digital edition is that it is sufficiently similar to be considered as the 'same product' as the print edition or editions of which it is a copy. This is the same principle that underpins the rules for the reporting of print editions.
- To be able to be reported on the ABC certificate a digital edition must be identified as either a digital edition of the main edition or the digital edition of another specified print edition that is reported on the ABC certificate. (The relevant print edition will be referred to as the 'parent edition')
- A digital edition must carry the same editorial and the same ROP (not classified) advertisements (by number and advertisers) as the parent edition.
- Digital editions and their parent edition must be published on or about a common distribution date.
- Digital editions must carry a logotype/masthead incorporating the generic name of the parent publication and be consistent with the general appearance of the parent edition.
- Within each sector the existing rules for editions apply to digital editions in terms of inclusion on a certificate.
- Advertisements may include electronic enhancements or be adapted to take advantage of the medium.
- In cases where editorial or advertising renders the digital edition illegal for on-line publication the specific advertising/editorial may be removed. In this instance the digital edition will still qualify as a replica of its parent.

### 3 PRINCIPLES OF AUDIT RULES

The following overarching principles must be complied with for the inclusion of digital editions on the ABC certificates:

- All digital edition copies claimed on the certificate must be 'opted in' copies, i.e. the individual subscriber has personally made a request for the digital edition - this may be a paid subscription etc.

- Paid subscriptions

For each paid digital copy there must be proof of:

- entitlement to the copy
- availability of the copy

- Entitlement to copy.

Audit will prove the entitlement of the subscriber for the publication. This will be by verification of the paid subscription documentation and payment and as laid down in the following rules.

- Availability of copy.

ABC will need to check as part of the ongoing processes that the correct publication and issue was available for download or view. Even if a subscriber received an email notifying him of the availability of the publication this cannot be defined as ABC circulation. If the URL or PDF was not available or had not been set up with the correct issue then the digital circulation of that issue would have to be disallowed. Please see section 7 regarding standards of availability.

- ABC will monitor the 'distribution' on an ongoing basis throughout the audit period. This would be to test the 'entitlement to the copy' and 'availability of the copy'.

- As systems will not be identical from one publisher to another it is essential that ABC is able to adapt the audit processes if necessary to ensure that the principles of opting in, entitlement to copy and availability of the copy can be sufficiently verified to ABC's satisfaction.

### 4 REPORTING OF DIGITAL EDITIONS ON THE ABC CERTIFICATE

The principle behind reporting digital editions on the ABC certificate is that an individual has explicitly asked the publisher (i.e. opted-in) for copies by this mode of distribution and such individuals are only counted once in the circulation of the publication.

- Digital editions will be represented on certificates as an additional table.
- Tables will be categorised by circulation type and by geographical location.
- Where all the supplements accompanying the parent print edition are not included in the digital edition this will be reported on the certificate.
- Addressees who receive both the digital and print copy must only be counted once on the certificate. The print copy will take precedence.
- Publishers may opt to report on the certificate the percentage of the average net circulation that have also opted to receive a digital edition provided that entitlement and availability is complied with.
- Digital editions may only be included in the following

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circulation categories:

- Single copy subscription sales.
- Current issue single copy sales.
- A new category called Corporate/gift subscriptions specifically for digital editions copies (see rule 6.1).
- As ABC will operate a continuous audit to verify the availability of digital editions, some audit work on digital editions will occur before certificates are issued. Where ABC is the print auditor, audit work to verify entitlement to copy will be conducted with the print audit. Where ABC is not the print auditor, audit work to verify entitlement to copy will be conducted at a time agreed with the publisher.

## 5 REGISTRATION OF DIGITAL EDITIONS WITH ABC

- Publishers must register their intention to include digital editions with ABC in advance of the start of the audit period in which those copies are to be claimed.
- Auditing of digital editions must be conducted by ABC if they are to be claimed on certificates.
- ABC may contact any digital subscribers at any point for further verification.
- The registration process will include a requirement for the digital edition and the process to be demonstrated to ABC.
- The publisher must disclose to ABC any digital editions that do not include all of the supplements accompanying the parent print edition.
- ABC will explain the audit rules relating to digital editions as part of the registration process. Publishers will be required to confirm in writing their acceptance of the audit process, and adherence to additional rules relating to the auditing and publicity of digital distribution.
- ABC will confirm acceptance of the inclusion of digital editions on certificates (subject to audit) in writing.
- Any fundamental changes to the registered digital edition during the audit period must be notified to ABC in advance of those changes.
- A specified address at ABC must be included on each 'delivery' of a digital issue. In addition a copy of the print publication must be available to ABC if requested. ABC will use normal sampling techniques to specify which print issues must be supplied to ABC.
- Planned distribution dates must be provided in advance of each audit period. Any changes must be notified to ABC.

## 6 AUDIT RULES - PAID DIGITAL COPIES

- All digital editions claimed for the issue will be disallowed if the URL / PDF is not available or links are not functioning or not set up with the current issue. Please see section 7 regarding standards of availability.
- For every issue on an issue-by-issue basis the publisher must ensure a single Total Distribution List (TDL) is available to ABC auditors.
- The TDL is defined as one file per issue, which contains a complete record of all digital and individually addressed print copies.
- Each issue's TDL must include relevant coding which enables the type of distribution, print, digital (or both if

claimed on the certificate) as well as the circulation type (e.g. subscription or controlled etc) to be identified.

- A full name and postal mailing address must be collected and recorded on the TDL for each digital copy claimed.
- Each issue's TDL must be de-duplicated by the publisher to calculate the net digital edition claim which is reported on the certificate.
- The net figures for each issue must be recorded and submitted to ABC on an issue by issue basis or as otherwise agreed in writing with ABC. ABC will use normal sampling techniques to specify which lists are required for audit purposes during the audit period.
- The price / rate at which paid digital copies are claimed will be reported in a consistent fashion as for print copies according to the relevant audit rules. Price bands will be the same as on the main body of the certificate for the relevant sector.

*For example, the price bands for single copy subscription sales would be:*

*Full rate circulation*

*Lesser rate circulation*

- Prices bands for single copy sales of digital editions and digital edition subscriptions are calculated against the cover price of the print copy for single copy sales and the print copy BAR for subscriptions.

*For example the BAR for a print subscription is £200. Its digital edition is marketed for a subscription rate of £80.*

*For rate band reporting purposes an £80 subscription to the digital edition must be reported according to  $80/200 = 40\%$*

- The rate of a digital subscription cannot be registered as a separate BAR.

## 6.1 Corporate/gift subscription digital copies

- Corporate/gift subscriptions to digital copies may be reported on the additional digital table.
- A corporate subscription is defined as a subscription purchased by a business/organisation on behalf of their employees. Subscriptions purchased on behalf of customers or members would not qualify as a corporate subscription.
- A gift subscription is a subscription purchased by one individual on behalf of another individual. (The maximum order for gift subscriptions is 12 separate subscriptions for named individuals from one purchaser who is not the recipient, their employer, a customer or member)
- A valid postal mailing address and e-mail address must be collected for the recipient of every corporate/gift subscription copy claimed.
- The number of copies claimed must be restricted to those individuals who in addition to being covered by a corporate/gift subscription have provided their personal details and personally opted to receive/view the digital edition.

## SECTION D - DIGITAL EDITIONS [cont.]

*For example. A company takes out a subscription for each of its 100 employees. If only 40 of those employees personally register to receive/view the digital edition then only those 40 copies may be included on the ABC certificate*

### 6.2 Records required - paid digital copies

- All paid digital copies must be valid and comply with existing audit rules
- The documentation and payment evidence for all paid digital copies must comply with existing audit rules and be retained for inspection at audit.
- In addition for corporate/gift subscriptions evidence must be retained that the individual has provided their personal details and personally opted to receive/view the digital edition (e.g. via a registration process or request).

### 7 STANDARDS OF AVAILABILITY

It is recognised that for technical or other reasons a digital edition may not be available 100% of the time. The following rules detail how this situation will be audited and reported.

Auditing procedure

- The publisher must provide ABC with free access to the PDF and / or the URL hosting the digital edition for every issue.
- ABC will test the availability of the digital edition. Audit tests will be made to ensure that:
  - i) The correct digital edition is available on the stated publication date/period.
  - ii) The digital edition is available for viewing and / or download as required.

Failure on either count will establish initial non-availability and trigger a second test.

In the event of the correct digital edition not being accessible to ABC, the access and content will be re-tested within a time frame relevant to the publishing frequency of the title, namely;

Publishing frequency	Time frame for re-test
Daily	Within 1 hour
Weekly	Within 1 day
Monthly	Within 1 week

If the second test proves negative on either count ABC will advise the publisher and it will be the publisher's responsibility to demonstrate to ABC the availability of the digital edition. ABC will perform testing to satisfy itself as to the extent of the availability.

The method of reporting a particular issue will depend upon the established level of availability as follows:

- Availability 0% (i.e. not available at all)
- ABC will disallow the entire digital edition claim for an issue if it is not available at all during the planned distribution period.

ABC will report the non-availability of the issue on the certificate and in other published ABC data.

- Availability less than 80%
- In the event that a digital edition is available for less than 80% of the planned distribution period it will be included in the claim and ABC will report the extent of the digital issue's availability (x%) on the certificate and in other published ABC data.
- Availability greater than or equal to 80%
- The issue is included without any additional reporting requirements.

### 8 PUBLICITY RULES

The overarching principle for the presentation of digital edition data is that the user is provided with clear and unambiguous information on digital copies alongside the latest ABC average net circulation figure (excluding digital edition copies).

Note: The following rules are in addition to ABC Publicity Byelaws 6a to 6x (see appendix), which still apply to digital copies.

#### 8.1 Use of ABC data – digital editions

- An ABC figure for a digital edition quoted on any material (including editorials, sales presentations, media packs and websites) must be accompanied by the latest average net circulation certified by ABC.

*For example:*

*ABC average net circulation (print) Dec 2004, 24,355  
ABC average digital copies 2,328*

- An ABC figure for a digital edition must not be added to the ABC average net circulation figure in any material and presented as an ABC figure.
- If publishers report on the certificate the percentage of the average net circulation that have also opted to receive a digital edition, then this must be accompanied by the latest average net circulation certified by ABC.

*For example:*

*ABC average net circulation (print) Dec 2004, 24,355  
ABC average digital copies 2,328  
In addition 6% of the average net circulation also opted to receive a digital copy.*

#### 8.2 Comparisons – digital editions

- Comparisons of figures for digital editions between different publications must always be accompanied by a comparison of the latest average net circulations certified by ABC including the period of certification.

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*For example:*

	<i>Digital copies</i>	<i>Average circ'n (print)</i>
<i>Publication X</i>	2,328	24,355
<i>Publication Y</i>	2,587	27,456

*Source: ABC Dec 2004*

### **8.3 Use of ABC logos – digital editions**

The ABC logos must not be published within, or in relation to, a digital edition until receipt of the first ABC certificate that includes digital edition copies.

## **APPENDIX**

1. Multiple copy sales – List of supply types
2. Sample Exclusion Note Request Form
3. Sample Letter of Engagement
4. Sample Reporting Calendar

Maximum allowable penetration is a cap on the maximum quantity of copies that can be declared to ABC on an issue by issue basis. This quantity will be calculated as a percentage of the total potential penetration, as shown below.

- 1. Airlines** **75%\*\***  
 Total potential penetration will be the number of seats available on each individual aircraft and the number of seats in each departure lounge. The combination of copies to individual aircraft plus lounges must not exceed this figure.
- 2. Hotels** **80% London 65% elsewhere**  
 Total potential penetration will be the total quantity of available rooms per individual hotel. The quantity of copies that may be included, will be a maximum of the percentage penetration figure as an average across an ABC audit month. Supplies may exceed this figure on individual days (but may never exceed 100%), but where the average across the month exceeds this percentage, the quantity to be declared to ABC must be restricted to this figure. London refers to an address which falls inside of the M25 London Orbital Motorway.
- 3. Boats** **33%\*\***  
 Total potential penetration will be the number of seats or cabins (as applicable to the boat being supplied to) on board the boat.
- 4. Rail – carriages** **50%\*\***  
 Total potential penetration will be the number of seats available on the carriages of each individual train supplied to. This figure is a percentage by day by class.
- 5. Events/Exhibitions** **33%**  
 Total potential Penetration will be the actual attendance figures from the event.  
 The contract must also give both ABC and the independent circulation auditor full and free access to all distribution points copies have been supplied to for the purpose of ensuring the good distribution of the copies and for auditing the total potential audience figures supplied.
- 6. Conferences.** **50%**  
 Total potential Penetration will be the actual attendance figures from the event.  
 The contract must also give both ABC and the independent circulation auditor full and free access to all distribution points copies have been supplied to for the purpose of ensuring the good distribution of the copies and for auditing the total potential audience figures supplied.
- 7. Direct Mail-shots.** **95%**  
 Total potential penetration will be the quantity of addressees on the mailing list. These are such instances where a purchaser will supply a mailing list to the publisher or will utilise a mailing list themselves to mail individual copies to a list of persons. To qualify, copies must be delivered to the purchaser on the same day as the newspaper is cover dated.
- 8. Schools (6<sup>th</sup> Form only).** **15%**  
 Total penetration is the number of 6<sup>th</sup> form students, restricted to term time only. Third party evidence of the number of students and term times must be available (this must be renewed annually).
- 9. Universities/Colleges** **20%**  
 Total penetration is the number of students at the college, restricted to term time/active class attendance periods only. Third party evidence of the number of students and term times must be available (this must be renewed annually).
- 10. Coaches** **50%\*\***  
 Total penetration is the number of seats on board the coach.
- 11. Other auditable audience supply points.** **Special\***  
 \*This figure will be decided upon by ABC following a study of the scheme and of the type of distribution. Details of these percentages set by ABC will be available to enquirers.  
 This is included to allow publishers to apply to ABC to have a unique scheme considered by ABC. The publisher must give ABC details in writing of the scheme to be operated and must advise how they see total potential audience being auditable. ABC will study the scheme and will advise if in the opinion of ABC the scheme is auditable. If accepted ABC will write and advise the publisher. In such cases the decision of ABC

will be final. An example of a unique scheme could be copies supplied to executive cars, where the total potential penetration will be the number of cars available on the day of supply.

The contract must also give both ABC and the independent circulation auditor full and free access to all distribution points copies have been supplied to for the purpose of ensuring the good distribution of the copies and for auditing the total potential audience figures supplied

**12. Unauditable supply points.**

**0%**

If, in the opinion of ABC, the total potential penetration cannot be audited, the resultant circulation may not be declared to ABC. Examples of unauditable supply points may be copies sold for distribution at retail level, copies sold to businesses for internal distribution, copies distributed on railway platforms, copies distributed at petrol stations, copies sold to advertisers for distribution to their clients.

\*\*The caps in these categories are based upon 1 journey per issue. For example:

A fleet of 10 coaches each with 50 seats = 500 seats, therefore the 50% cap means the maximum possible claim per issue is 250 copies (regardless of the number of trips those coaches make).

**OVERFLOW**

Where a combination of newspapers are being sold to a purchaser, which results in the percentage penetration figure (as noted above) being exceeded, ABC reserve the right to reduce the quantity that may be claimed by all titles to the total percentage penetration figure.

**IMPLEMENTATION DATE**

These percentages are valid as of 29<sup>th</sup> June 1998. It is intended that the ABC Working Party should review these figures and amend them either up or down as required. In such cases a new appendix sheet will be made available which will indicate its introduction date.

**I wish to apply for an official ABC exclusion note for:**

Publication name : \_\_\_\_\_ Issue Dated : \_\_\_\_\_  
 Phone Number : \_\_\_\_\_ Fax Number : \_\_\_\_\_  
 Publisher : \_\_\_\_\_  
 Address to mail acceptance to : \_\_\_\_\_  
 \_\_\_\_\_

**The following details are supplied to validate this request:**

- The circulation figures for the previous 4 comparable issues (excluding Bank Holidays and Christmas/New Year automatically granted exclusions) are used in determining the shortfall in normal net sale.

Date of Historic Issue	UK and Rol Multiple Copy Sales		
1. <input type="text"/>	<input type="text"/>	Total of the 4 Historic weeks Circulation:	<input type="text"/>
2. <input type="text"/>	<input type="text"/>	Average of the 4 Historic Weeks circulation:	<input type="text"/>
3. <input type="text"/>	<input type="text"/>	Net Sale for issue requested to be excluded	<input type="text"/>
4. <input type="text"/>	<input type="text"/>	Percentage shortfall from the 4 week average:	<input type="text"/> %

**Reason:** please give full details below of why ABC should grant this exclusion request. (use follow on sheets as required)

This application is made by:

Name \_\_\_\_\_ Position \_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_

All exclusion requests must be countersigned by a director of the Publishing Company

I confirm that the details given above are correct and that an exclusion note for the issue stated is hereby requested.

Name \_\_\_\_\_ Position \_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_

To: [The Chief Circulation Executive]  
[The Publishing Company]  
[Publishing Company Address]

[date]

Dear Sir

ABC CIRCULATION AUDITS OF MEMBER PUBLICATIONS

The purpose of this letter is to set out the basis on which we act as Appointed Circulation Auditors reporting to the Audit Bureau of Circulations Ltd and the respective areas of responsibility of the publishing company and ourselves.

- a. We accept that there is a duty of care with respect to performing the Audit Programme, from us to the Bureau and that we are reporting to the Bureau.
- b. We and the Publisher accept that we will supply to the Bureau, or its appointed agents, such information as the Bureau may reasonably require as relevant to the Publication under audit and other Publications published by the Publisher.
- c. We and the Publisher accept that any audit conducted for the Bureau must be conducted in accordance with the Audit Rules, as updated at the time the audit is conducted.
- d. The Publisher and/or directors of the publishing company are responsible for producing the circulation data, maintaining proper records and completing the ABC Return and have a duty of care to the Bureau. They are responsible for ensuring that the non-financial records are reconcilable to the financial records.
- e. The management of the Publishers will make available to us all records, correspondence, information and explanations that we consider necessary to enable us to form our opinion.
- f. We and the Publisher accept that any audit conducted on behalf of the Bureau cannot be accepted as being complete, unless we have been given full and free access to the financial and other records in connection with the distribution of the Publication under audit, and the Publisher shall procure that any such records held by a third-party are made available to us.
- g. We have a professional responsibility to report to the Bureau if there have been any limitations or restrictions to the scope of the audit work and/or completed Return does not comply with the Audit Rules.
- h. We will report to the management of the Publishers any significant weaknesses in the circulation systems or any other matter arising from the audit which we believe should be brought to the attention of the Publishers.
- i. The responsibility for the prevention and detection of fraud and irregularities rests with the management of the Publisher.

Once it has been signed, this letter will remain effective, from one audit appointment to another, until it is replaced. We should be grateful if you (the Publisher) would countersign this letter to confirm your agreement to the terms herein. A copy of this letter will be filed with the Audit Bureau of Circulations.

Yours faithfully

[signature on behalf of audit company]

Auditing Company

Countersigned on behalf of the Publishers .....

PRINT NAME .....

## NATIONAL NEWSPAPERS ACCOUNTING CALENDAR 2005

Start Date		End Date		Week No.	Month Duration	Weeklies	Mon-Fri	Mon-Sat
Mon	03-Jan-2005	Sun	09-Jan-2005	1	4 Weeks	4 issues	20 issues	24 issues
Mon	10-Jan-2005	Sun	16-Jan-2005	2				
Mon	17-Jan-2005	Sun	23-Jan-2005	3				
Mon	24-Jan-2005	Sun	30-Jan-2005	4				
Mon	31-Jan-2005	Sun	06-Feb-2005	5	4 Weeks	4 issues	20 issues	24 issues
Mon	07-Feb-2005	Sun	13-Feb-2005	6				
Mon	14-Feb-2005	Sun	20-Feb-2005	7				
Mon	21-Feb-2005	Sun	27-Feb-2005	8				
Mon	28-Feb-2005	Sun	06-Mar-2005	9	5 Weeks	5 issues	25 issues	30 issues
Mon	07-Mar-2005	Sun	13-Mar-2005	10				
Mon	14-Mar-2005	Sun	20-Mar-2005	11				
Mon	21-Mar-2005	Sun	27-Mar-2005	12				
Mon	28-Mar-2005	Sun	03-Apr-2005	13				
Mon	04-Apr-2005	Sun	10-Apr-2005	14	4 Weeks	4 issues	20 issues	24 issues
Mon	11-Apr-2005	Sun	17-Apr-2005	15				
Mon	18-Apr-2005	Sun	24-Apr-2005	16				
Mon	25-Apr-2005	Sun	01-May-2005	17				
Mon	02-May-2005	Sun	08-May-2005	18	4 Weeks	4 issues	20 issues	24 issues
Mon	09-May-2005	Sun	15-May-2005	19				
Mon	16-May-2005	Sun	22-May-2005	20				
Mon	23-May-2005	Sun	29-May-2005	21				
Mon	30-May-2005	Sun	05-Jun-2005	22	5 Weeks	5 issues	25 issues	30 issues
Mon	06-Jun-2005	Sun	12-Jun-2005	23				
Mon	13-Jun-2005	Sun	19-Jun-2005	24				
Mon	20-Jun-2005	Sun	26-Jun-2005	25				
Mon	27-Jun-2005	Sun	03-Jul-2005	26				
Mon	04-Jul-2005	Sun	10-Jul-2005	27	4 Weeks	4 issues	20 issues	24 issues
Mon	11-Jul-2005	Sun	17-Jul-2005	28				
Mon	18-Jul-2005	Sun	24-Jul-2005	29				
Mon	25-Jul-2005	Sun	31-Jul-2005	30				
Mon	01-Aug-2005	Sun	07-Aug-2005	31	4 Weeks	4 issues	20 issues	24 issues
Mon	08-Aug-2005	Sun	14-Aug-2005	32				
Mon	15-Aug-2005	Sun	21-Aug-2005	33				
Mon	22-Aug-2005	Sun	28-Aug-2005	34				
Mon	29-Aug-2005	Sun	04-Sep-2005	35	5 Weeks	5 issues	25 issues	30 issues
Mon	05-Sep-2005	Sun	11-Sep-2005	36				
Mon	12-Sep-2005	Sun	18-Sep-2005	37				
Mon	19-Sep-2005	Sun	25-Sep-2005	38				
Mon	26-Sep-2005	Sun	02-Oct-2005	39				
Mon	03-Oct-2005	Sun	09-Oct-2005	40	4 Weeks	4 issues	20 issues	24 issues
Mon	10-Oct-2005	Sun	16-Oct-2005	41				
Mon	17-Oct-2005	Sun	23-Oct-2005	42				
Mon	24-Oct-2005	Sun	30-Oct-2005	43				
Mon	31-Oct-2005	Sun	06-Nov-2005	44	4 Weeks	4 issues	20 issues	24 issues
Mon	07-Nov-2005	Sun	13-Nov-2005	45				
Mon	14-Nov-2005	Sun	20-Nov-2005	46				
Mon	21-Nov-2005	Sun	27-Nov-2005	47				
Mon	28-Nov-2005	Sun	04-Dec-2005	48	5 Weeks	5 issues	25 issues	30 issues
Mon	05-Dec-2005	Sun	11-Dec-2005	49				
Mon	12-Dec-2005	Sun	18-Dec-2005	50				
Mon	19-Dec-2005	Sun	25-Dec-2005	51				
Mon	26-Dec-2005	Sun	01-Jan-2006	52				



Third party records  
Time limit for receipt of returns

C4.7  
C2

Vouchers - promotions  
- redemption

B1.13  
B1.9, B4.4

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ABC produces detailed guides on aspects of the audit and the rules - please contact your Account Manager for information on what is available



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