

# Reporting Standards

ABC Bulk Distribution



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trust in media

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## INTRODUCTION

This document contains the Reporting Standards for print and digital edition of products registered in the ABC Bulk Distribution sector.

The PDF versions of the Reporting Standards are issued at a certain point in time. As Reporting Standards are updated periodically, please check the website [www.abcstandards.org.uk](http://www.abcstandards.org.uk) to ensure you are using the latest applicable standards.

Each category of circulation in the Reporting Standards has the following:

- Definition
- Principles
- Requirements
- Reporting
- Guidance

If you are after a quick understanding of the key points of any section then the definition and principles will provide an overview – you can download an Executive Summary containing just these sections from our website.

The guidance sections provide examples of how the requirements might be complied with. We will add to or amend these over time where we consider there may be a benefit following the identification of specific circumstances or requests for advice.

If you have any queries regarding how the Reporting Standards affect you or any specific queries please contact the ABC Client services team on 01442 870 800 or email [enquiries@abc.org.uk](mailto:enquiries@abc.org.uk).

## GENERAL PRINCIPLES AND RECORD KEEPING

### INTRODUCTION

This section sets out some key requirements relating to the overall reporting and auditing of your ABC claim.

### PRINCIPLES

1. **Publication must be eligible to report under the Reporting Standards**
2. **Copies must comply with the Reporting Standards**
3. **Transactions related to the claim must be bona fide 'arms length' arrangements**
4. **Evidence to support the claim must be retained and available for a minimum period**
5. **There is a designated Audit Issue**

### REQUIREMENTS

1. **The publication must be eligible to report under the Reporting Standards**
  - a) Any printed publication may apply to register under the ABC Bulk Distribution Reporting Standards unless the majority of their circulation is in the Republic of Ireland, in which case they will report under Republic of Ireland Reporting Standards.
2. **Copies must comply with the Reporting Standards**
  - a) Copies claimed must comply with the relevant sections of these Reporting Standards with the following exceptions which you specifically cannot claim:
    - i) Free copies to contributors
    - ii) Free copies to advertisers
    - iii) Free copies to advertising agencies
    - iv) Free copies to press cutting agencies
    - v) File or office copies
    - vi) Free publisher employee copies
    - vii) Paid publisher employee copies (unless they qualify under the Paid Employee Copies category or they are purchased as a normal consumer)
    - viii) Electronic versions of the publication unless they meet the requirements to be claimed as a Digital Edition
    - ix) Copies distributed or sold outside the UK and Republic of Ireland
3. **Transactions related to the claim must be bona fide 'arms length' arrangements**
  - a) Transactions or arrangements (such as sales, circulation or distribution services) with your own organisation or Related Parties will initially be deemed as not bona fide 'arms-length' for ABC purposes, meaning they cannot be included in your claim. However they can be included if you are able to demonstrate to the satisfaction of your auditor or ABC that these comply with the Reporting Standards and are bona fide 'arms length' arrangements.
  - b) Related Parties for ABC purposes will include where:

- i) One party has direct or indirect control of the other party; or
- ii) The parties are subject to common control from the same source; or
- iii) One party has influence over the financial & operating policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- iv) The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.
- v) Transactions between contract publishers and their clients are deemed not to be arms length in relation to a specific publication produced for that client.

This means the following are considered Related Parties for ABC purposes:

- The publisher, its subsidiary, parent and fellow undertakings (and Directors of these)
- Associates and Joint Ventures (and their investors)

#### **4. Evidence to support the claim must be retained and available for a minimum period**

- a) You must retain and be able to provide all records supporting the claim, including but not limited to:
  - i) An analysis of the claim by issue.
  - ii) Evidence supporting the number of copies printed for each issue claimed.
  - iii) Evidence supporting the number of copies distributed for each issue claimed, relevant to its circulation type.
  - iv) Evidence for each copy supporting the relevant circulation category and geographical region in which it is claimed on an issue by issue basis (i.e. not on a transactional basis).
  - v) A copy of each issue and any Editions claimed.
  - vi) Financial records.
- b) Records supporting the claim must be retained and made available to your Auditor or ABC on request, in accordance with the ABC Byelaws.
- c) Records supporting the distribution claim must be retained until we have completed the audit of the certificate for the subsequent corresponding Reporting Period. *For example the records supporting the July to December 2012 period must be retained until we have completed the audit for July to December 2013.*
- d) For monthly Reporting Periods records supporting the claim must be retained until 3 months after the end of the Reporting Period.

#### **5. There is a designated Audit Issue**

- a) The Audit Issue is a designated issue in the Reporting Period for which the Reporting Standards specify certain information is required to be retained or reported.
- b) For 6 month Reporting Periods ending December the Audit Issue is the last issue dated November and for Reporting Periods ending June the last issue dated May.
- c) For monthly Reporting Periods the Audit Issue is the issue distributed nearest to the 21st of the month. Where this issue was either not published or excluded under the exclusion rules then the previous claimed issue will be the Audit Issue.
- d) For any other Reporting Periods the Audit Issue is the issue distributed nearest to the first day of the last month in the Reporting Period, which also falls within the Reporting Period.

## GUIDANCE

### G4. Evidence to support the claim must be retained and available for a minimum period

- a) In relation to evidence supporting the number of copies distributed for each issue claimed, this must enable identification of the publication name, issue and quantity of copies. This means copies posted using a franking machine will not normally be able to be claimed as the records will not identify what has been posted.
- b) In relation to mailed copies there is no need to remove copies from the claim that are returned because they are undeliverable. *For example copies returned addressee gone away or not known.*
- c) In relation to print evidence you will normally provide print invoices and evidence of payment. If printing is carried out in-house or within a Related Party organisation then production records may be required. Other financial records may also be reviewed.
- d) In relation to distribution evidence you will normally provide distributors' invoices/despatch notes and evidence of payment. Other financial records may also be reviewed.
- e) In relation to publication sales you may need to provide access to financial records including sales ledgers and bank statements on request.
- f) The auditor may accept copies of records stored electronically, but we advise you check first.
- g) If records are not available or not accepted by your auditor/ABC then this may result in copies being disallowed, certificates being withdrawn or cancellation of the publication's ABC registration.
- h) For ease of auditing and to avoid additional costs any mailing list supplied for audit should be presented in a format agreed between you and your auditor. One agreed format is:
  - i) One file per publication in a comma-delimited format
  - ii) One line per addressee
  - iii) Each addressee coded to identify the circulation category/rate in which it has been claimed
  - iv) Separate fields for name, job title, company name, address records, circulation code, geographical code, request dates, number of copies etc
- i) We offer an optional 'sealed galley' service whereby a mailing list tested at an audit can be treated as a valid source record for future audits. This avoids the need to go back to original documentation at a future audit if a record is included on a mailing list previously audited and sealed. Please contact us for further details.

## FREE PICK UP COPIES

### DEFINITION

Copies distributed on a regular and consistent basis to known distribution points for pick up or receipt by consumers.

### PRINCIPLES

1. **Prior notification of distribution details and any changes to ABC**
2. **Distribution follows a regular and consistent pattern to known distribution points**
3. **Copies are made available at the known distribution points for pick up or receipt by consumers**
4. **Quantity claimed should not exceed potential demand by the intended consumers**
5. **Effective management controls over distribution**
6. **Reported by distribution type**
7. **Reported by distribution point type**

### REQUIREMENTS

1. **Prior notification of distribution details to ABC**
  - a) You must obtain ABC's agreement that your distribution system is capable of being compliant and verifiable to ABC standards before the distribution of the first issue for which you intend to claim pick up copies. This will include:
    - i) The method of distribution.
    - ii) A master list of all distribution points.
  - b) The method of distribution statement:
    - i) Is a statement reflecting the total distribution and describes where, when and how copies are distributed.
    - ii) Must be verifiable.
  - c) The master list of distribution points will include details of all distribution points supplied.
  - d) After initial approval of the distribution system, you must, on an on-going basis, notify ABC of any changes to the method of distribution or details on the master list of distribution points (such as changes in distribution quantities, distribution dates, new or ceased distribution points) as and when they occur.
2. **Distribution follows a regular and consistent pattern to known distribution points**
  - a) A distribution point is defined as an agreed location at which copies are handed to or left for pick up by the consumer.  
Note:
    - i) A distribution point is defined at the micro level. *For example: a single dispensing bin or single hand merchandiser as opposed to say a group of dispensing bins at a particular location.*
  - b) Distribution points used must be regular in type for every issue (subject to notified and allowable changes).
  - c) The distribution points claimed must be consistent with the method of distribution statement.
  - d) Publications published more frequently than weekly can be assessed for regularity and consistency by day of week/issue. *For example: Wednesdays must be regular and consistent with other Wednesdays, Fridays with Fridays etc.*

- e) Only distribution points in the UK or Republic of Ireland can be claimed.
- f) ABC must have the right to visit or contact distribution points for verification purposes.
- g) Gross distribution (i.e. supply) quantities for an issue must be similar for each issue but may be varied (compared to the previous reporting period's total average gross bulk distribution\*) as follows:
  - i) By up to 10%, without any stipulation or notification requirements.
  - ii) By greater than 10%, on an ad hoc basis as long as it is due to exceptional circumstances (*for example due to tube strikes, severe weather*) and ABC is notified within one month of the issue or before the claim is submitted to ABC (whichever is the sooner).
  - iii) By greater than 10% on a planned and regular basis to account for seasonal variations in the audience (*for example a two week reduction in gross pick up copy distribution due to a holiday period*). In this instance the publisher must notify ABC and obtain our agreement in advance, and include details of the seasonal change within their method of distribution statement for the affected Certificate.

\*Note: For daily publications you must apply the 10% distribution change criteria by comparing the gross pick up distribution for a Monday issue compared against the previous period's total average Monday gross pick up distribution, same for Tuesdays, Wednesdays etc

### 3. Copies are made available at the known distribution points for pick up or receipt by consumers

- a) You must be able to provide evidence, from the third party responsible, of the number of copies of the publication made available for pick up or receipt at each distribution point by consumers. Note:
  - i) Where the copies are made available for pick up or receipt at distribution points by drivers/distributors that are not 3<sup>rd</sup> party to the publisher (such as in-house distributors or from a joint venture), it may be possible to include these in the claim as long as:
    - It can be demonstrated that the drivers/distributors have sufficient independence and are specifically contracted to deliver/distribute the publication.
    - The auditor/ABC has full and unrestricted access to the relevant parties' documentation and financial records.
    - ABC has specifically agreed this distribution method.
- b) Where your ABC pick up claim is for the net number of copies picked up or received by consumers at a distribution point, you must be able to provide evidence of the number of copies returned/not picked up at each relevant distribution point.
- c) For non-daily publications, all copies must be delivered and made available within 24 hours of the majority of the rest of the distribution (with the exception of top-up copies – see below).
- d) You can make 'top- up' supplies of an issue after the initial supply at a distribution point, as long as:
  - i) They are delivered before the distribution of the subsequent issue.
  - ii) For non-daily publications:
    - The initial supply to a distribution point is made within 24 hours of the majority of the rest of the distribution
    - Any top-up supplies to a particular distribution point beyond the initial supply are not individually greater than the initial supply.
- e) You cannot claim distribution of back issues.

### 4. Quantity claimed should not exceed potential demand by the intended consumers

- a) Your ABC pick up claim must be reported as a minimum as follows:



- i) Daily publications (except copies distributed airside and on trains): must be reported on a net basis (i.e. those made available less copies not picked up by consumers).
  - ii) All publications distributed airside and on trains must be reported on a capped basis. This means the number of copies claimed will be limited to designated caps – see Caps by Supply Type section for details.
- b) As an option you can report copies of non-daily publications distributed in a public place (either by hand merchandiser or via distribution bins) on a net basis as long as:
- i) There are 1 or more distinct distribution cycles, each cycle being completed within 24 hours.
  - ii) For each distinct distribution cycle you have third party evidence of the net distribution (i.e. those made available and actually collected/handed out).

**5. Effective management controls over distribution**

- a) The publisher is responsible for ensuring that the copies they claim have been delivered and if applicable returns/copies not picked up are accounted for. This requires a publisher to have appropriate management controls and processes in place to ensure that this is happening.

**6. Reported by distribution type**

- a) Distribution will be reported analysed by:
  - i) Net distribution for daily publications (excluding airside and on trains) and optionally for non-daily publications distributed in a public place; or
  - ii) Capped distribution for non-daily publications and daily publications distributed airside and on trains.

**7. Reported by distribution point type**

- a) Distribution will be reported analysed for the selected normal issue by distribution point type.

**REPORTING**

You will report pick up copies as follows, which will be broken out on the ABC Certificate:

1. By geographical type:
  - a) United Kingdom and Republic of Ireland as one figure.
2. By total average pick-up copies per issue for the period, analysed into:
  - a) Net distribution
  - b) Capped distribution
3. By total pick up copies for the selected normal issue, analysed by distribution point type.
4. By total pick up copies for each issue in the period.
5. The total average number of distribution points per issue over the period will be reported.
6. The method of distribution statement that covers the total distribution claimed.
7. Each issue where the total claimed pick up copy figure (i.e. net and/or capped as applicable) varies by more than 10% (increase or decrease) from the previous period's total average pick up copy claim\* will be identified on the front page of the relevant Certificate. For monthly reporting publications these will be published in the monthly ABC report.

\*Note: For daily publications the issues identified on the front page of the Certificate will be those where the claimed pick up figure varies by more than 10% compared to the previous period's total average pick up claim for the corresponding day of the week (i.e. compared to average Monday, average Tuesday etc).

## GUIDANCE

### G1. Prior notification of distribution details to ABC

- a) The method of distribution statement should be as detailed as possible but must also be verifiable from evidence.
- b) The master list of all distribution points.

We would expect this to include the following for each distribution point:

- Unique point ID (to enable clear identification when changes are made).
- Address, including postcode.
- Audience Type. *For example airside/international rail, hotel – as analysed on the Certificate.*
- Whether there is a responsible individual based at the point, a deliverer places copies on display, or it is a hand distribution point.
- Point description. *For example: type of bin, location at address.*
- Point restrictions. *For example it is particularly important to identify any points which can only be accessed via security barriers such as airport airside locations, some office buildings.*
- Name of responsible person:
  - Name of recipient for distribution points where individual based at point confirms delivery.
  - Name of deliverer (in-house or name of delivery company) where deliverer confirms delivery.
- Telephone number of responsible individual.
- Normal day/date of delivery.
- Approximate time of delivery.
- Method of delivery. *For example: in house, name of 3rd party distribution company.*
- Normal supply quantity.
- Normal day/date of collection of returned/damaged copies (net copies only).
- Additional details as above for all regular top-up supplies.

The master list of all distribution points must be supplied to ABC at the time the distribution point and process is submitted to ABC for approval prior to certification.

All changes to the above details for existing distribution points, any removal of distribution points and all additions to the distribution points should be notified to ABC as and when they occur.

- c) Other information needed for audit typically will include:
  - i) Issue by issue free pick up summary
    - This is an issue by issue summary of the claimed free pick up distribution compiled from the Detailed Issue Distribution Lists (see below).
  - ii) Detailed Issue Distribution List
    - This form includes on an issue by issue basis:
    - Name/identification of distribution point
    - Type of distribution point (e.g. hotel), manned or unmanned
    - Gross supply
    - For copies claimed on a net basis: Returned/damaged copies
    - For copies claimed on a capped basis: the cap percentage or number
    - Net distribution
    - Actual day/date of delivery
    - For copies claimed on a net basis: Actual day/date of collection of returned/damaged copies
- d) Copies that are purchased from distribution points are still eligible as pick up circulation as long as they comply with the pick-up rules.

**G2. Distribution follows a regular and consistent pattern to known distribution points**

- a) *A distribution point is defined as an agreed location at which copies are handed to or left for pick up by the consumer.*
  - i) You should be able to provide details of the terms and conditions between the publisher and the distribution points for the supply and collection of copies, including any financial arrangements.
- b) Examples of ineligible distribution (because it is not regular and consistent) include distribution to irregular exhibitions, rotational sampling, and variations in gross supply due to fluctuations in demand (except as allowed due to seasonal variation rules).

**G3. Copies are made available at the known distribution points for pick up or receipt by consumers**

- a) *You must be able to provide evidence, from the third party responsible, of the number of copies made available for pick up or receipt at each distribution point by consumers.*
  - i) Typically, suitable evidence will be a delivery note signed and dated by a responsible third party individual (at the time of delivery) confirming the number of copies of the particular issue of the publication supplied and that they have made available for pick up or receipt at the particular location.
  - ii) Where the individual confirming the delivery is the driver/distributor, additional verification such as the deliverer's manager signing to confirm completion, or the inclusion of a time of delivery may be required where ABC deems appropriate for audit purposes.
  - iii) If the evidence is from an individual that is not third party to the publisher (such as an in-house driver) then the records that additionally might be needed for audit could include run/route sheets, evidence of contractual arrangements, wage claims of distributor invoices.
  - iv) Ordinarily an individual based at the distribution point should be signing the delivery note at the time of the delivery. However if the signatory is unavailable at the time of delivery they can complete the delivery note left with the consignment and return to the publisher within 5 working days or before the distribution of the next issue (whichever is the sooner).
  - v) With ABC's agreement you may be able to maintain documentation on a team basis for a group of merchandisers or a group of dispensing racks at a designated location (for example at a train station).
- b) *Where your ABC pick up claim is for the net number of copies picked up or received by consumers at a distribution point, you must be able to provide evidence of the number of copies returned/not picked up at each relevant distribution point.*
  - i) Typically, suitable evidence will be a returns note signed and dated by a responsible third party individual (at the time of collection) confirming the number of copies of the publication returned/not picked up, including the time collected. If there is no evidence you cannot assume 100% distribution but instead due to lack of evidence must treat distribution as zero.
  - ii) If the evidence is from an individual that is not third party to the publisher (such as an in-house driver) then the records that additionally might be needed for audit could include run/route sheets, evidence of contractual arrangements, wage claims of distributor invoices.
  - iii) Ordinarily an individual based at the distribution point should be signing the returns note at the time of the collection. However if the signatory is unavailable at the time of collection they can complete the returns/collection note left at the time of collection and return to the publisher within 5 working days or before the distribution of the next issue (whichever is the sooner).
  - iv) Distributors and their agents must not have a disincentive to accurately report the net number of copies picked up/received by consumers.
  - v) With ABC's agreement you may be able to maintain documentation on a team basis for a group of merchandisers or a group of dispensing racks at a designated location (for example at a train station).

**G4. Quantity claimed should not exceed potential demand by the intended consumers**

- a) Where distribution claimed is limited by designated caps (see see Caps by Supply Type section for details) you must have appropriate evidence to support the cap if applicable.

**G5. Effective management controls over distribution**

- a) For each publication the detail and extent of these controls and processes will vary as they should be appropriate to the type of distribution. These could include training of staff, spot checks, customer complaint handling etc.

These controls and processes are reviewed by ABC as part of the joining process and continuing audit of a publication. These help underpin the audit in that they form part of the consideration of risk and consequently the type and extent of audit work done.

If weaknesses in management controls are found during the audit work, the publication's circulation auditor / ABC will inform the distributor and the publisher of defined improvements to be implemented and a timescale to ensure copies are still eligible for ABC purposes.

## FREE REQUESTED DELIVERED COPIES

### DEFINITION

A single free copy requested by and distributed to a known individual.

### PRINCIPLES

1. **Single copy per issue, distributed to a known individual**
2. **Individual has personally requested to receive the publication**
3. **Only copies distributed in UK and Republic of Ireland can be claimed**

### REQUIREMENTS

1. **Single copy per issue, distributed to a known individual**
  - a) You must be able to demonstrate the copy is distributed to the individual.
  - b) You must retain a list of individual recipients (including address details) for each issue in the reporting period.
  - c) You cannot claim distribution of back issues.
2. **Individual has personally requested to receive the publication**
  - a) You must have third party evidence that the individual has, within the last three years, made a clear request to receive the publication before you send it to them.

### REPORTING

You will report Free Requested Delivered Copies as follows, which will be broken out on the ABC Certificate:

1. By geographical type:
  - a) United Kingdom and Republic of Ireland as one figure
2. By total average Free Requested Delivered Copy circulation over the reporting period.
3. By total Free Requested Delivered Copy Circulation for the selected normal issue.

### GUIDANCE

#### G1. Single copy per issue, distributed to a known individual

- a) You must be able to demonstrate the copy is distributed to the individual. Examples are:
  - i) If via a third party: This will usually be from a third party company whose normal business is single copy distribution (such as Royal Mail). Typically the evidence will include testing the payment of invoices and related advice notes sufficient to identify the publication, issue, quantities and date distributed.
  - ii) If via an in-house/non-3<sup>rd</sup> party distribution set up: You must be able to provide evidence of how the distribution is organised and carried out. One method of doing this is to arrange for the distribution to be independently verified by telephone or email as follows:

- The telephone call-back or email verification testing is conducted by an organisation independent of the publisher.
- Each issue is tested, before the next issue is distributed, except for those publications published more frequently than once a week who may carry out the telephone call-back or email verification testing on a weekly basis, with the telephone call or email covering each issue delivered during that week.
- The sample size for testing is as follows:
  - o If the free requested delivered claim for the issue is less than 1,000 copies then you must test a sample of at least 10 individuals.
  - o If the free requested delivered claim for the issue is between 1,000 copies and 1,999 copies then you must test a sample of at least 20 individuals
  - o If the free requested delivered claim for the issue is 2,000 copies or more then you must test a sample of at least 30 individuals.
- The sample for testing is selected on a random basis (for example by sorting the list by surname and selecting on a fixed interval basis).
- To enable the distribution to be independently verified you, as part of the request process, capture either the telephone number or email address of the individual requesting the publication.
- The telephone call-back or email verification testing asks the individual (and records):
  - o Their name (and confirm the address).
  - o Whether they received the last issue of the publication\*.
  - o Any relevant comments made concerning the distribution.

\*If the testing is to cover a number of issues distributed in the week (e.g. for a daily publication) then there is a separate question and answer recorded for each issue.

- The telephone call-back or email verification testing documentation includes:
  - o The publication name and issue date.
  - o The date the call back or email verification testing was carried out.
  - o The respondent's name and address.
  - o The respondent's telephone number, for call back testing carried out by telephone or email address for email verification.
  - o The respondent's response to the question about whether they received the last issue of the publication.
  - o Any relevant comments made by the respondent.
  - o Name and signature of your call back researcher for telephone testing.
- You pro-rate the results across the distribution. *For example: If 5% of the sample say they did not receive the copy, then 5% of the free requested copies recorded as delivered is deducted from the ABC claim.*

## **G2. Individual has personally requested to receive the publication**

- a) You must have third party evidence that the individual has, within the last three years, made a clear request to receive the publication before you send it to them. The following provide guidance and examples of acceptable methods of achieving this:
  - i) The requestor must have been asked and agreed, or they have stated, that they wish to receive a copy of the publication. Bear in mind you will need to be able to demonstrate this at audit. *For example using a question such as 'sign here to request a free copy of <publication name> or 'Complete this form to continue receiving this publication'.*
  - ii) There must be a clear separate request to receive the publication that is not combined with a request for another product or service. *For example: This means if the requestor is being offered the opportunity to request two or more publications, or register for an exhibition at the same time as requesting the publication, it should be clear to them that they can separately request to receive the publication(or not) with or without requesting or accepting the other product/service. You may use separate questions or separate boxes to make it clear what the individual is requesting in this scenario.*
  - iii) For a written or faxed request, the evidence could be demonstrated as third party by requiring the requestor to sign and date the form/request.
  - iv) For a request made over the telephone, by email or online, the following gives guidance and examples of how details could be demonstrated as third party:

- Asking the requestor to provide their name and the answer to ABC's Personal Identifier Question (PIQ) - a memorable question set by ABC and changed each calendar year – details of the current PIQ can be found on the ABC website.
- In the case of telephone requests, recording the telephone calls in a manner that can be made available for review at audit. If you would like our advice on whether a call recording system might be acceptable please contact us. Note: It remains your responsibility to comply with any legislation regarding the recording of telephone conversations.
- It may help if a copy of the data captured via online or telephone campaigns is kept in its original state as once this data is entered or merged onto a main database the audit trail evidencing the collection of the data can be lost. You may also consider retaining invoices from external contractors evidencing the work carried out in this regard.
- You are advised to retain copies of online forms/screenshots or telephone scripts to provide evidence of questions asked and responses recorded.

## SAMPLE FREE DISTRIBUTION

### DEFINITION

Free copies distributed, on an irregular basis, to specific locations for collection by the end user.

### PRINCIPLES

1. **Distribution uses an existing ABC Free Distribution method, without the need for a regular and consistent basis.**
2. **Prior notification of distribution details to ABC**
3. **Distribution must be of an existing edition claimed on the certificate**
4. **Reported by distribution type**

### REQUIREMENTS

1. **Distribution uses an existing ABC Free Distribution method, without the need for a regular and consistent basis.**
  - a) The requirements of the relevant ABC Bulk Free Distribution category apply, with the exception that distribution may be of a single issue.
  - b) Requirements relating to distribution across issues being on a regular and consistent basis and changes from previous certificates are ignored.
2. **Prior notification of distribution details to ABC**
  - a) You must obtain ABC's agreement in advance of the distribution, having provided full details of timings, delivery locations etc as stipulated in the relevant Free Distribution category. This is to enable audit work to be conducted at the appropriate time, including real time testing where appropriate.
3. **Distribution must be of an existing edition claimed on the certificate**
  - a) The copies must be broadly similar to an existing edition being claimed on the certificate. Therefore a certificate cannot comprise copies claimed in the Sample Free Distribution category alone.
4. **Reported by distribution type**
  - a) Sample Free distribution will be reported by distribution category.
  - b) The same statements and breakouts reported for the constituent Free Distribution categories will be reported on an issue by issue basis.

### REPORTING

You will report Sample Free Distribution as follows, which will be broken out on the certificate:

1. By total average Sample Free Distribution of the issues for the period, analysed by distribution category.
2. For each issue claimed:
  - a) The total Sample Free Distribution
  - b) The total analysed by distribution type, i.e. *Free Pick Up*.
  - c) The relevant breakouts for each distribution type. i.e. *Free Pick Up Copies by distribution point type, by net and/or capped distribution, Method of Distribution Statement*.

### GUIDANCE

None.



## SINGLE COPY SUBSCRIPTION SALES

### DEFINITION

A single copy sold and distributed to an individual or organisation for a contracted period.

### PRINCIPLES

1. **There must be a contractual arrangement between the subscriber and the publisher (or their agent)**
2. **Single copy per issue, distributed to a known addressee**
3. **Single copy knowingly paid for by the subscriber**
4. **For a contracted period and for a minimum number of issues (at least two)**
5. **Standard subscription rates must be published**
6. **Reported by rate, comparing price paid by subscriber with standard rate**
7. **The price paid for the publication by the subscriber must be clear and conspicuous**

### REQUIREMENTS

1. **There must be a contractual arrangement between the subscriber and the publisher (or their agent)**
  - a) You must be able to provide evidence of the contractual arrangements between the subscriber and the publisher (or their agent) including the issues/period and the price.
  - b) If you merge publications or purchase a subscription list from a ceased publication it must be clear that subscribers have made a choice to receive the publication claimed.
2. **Single copy per issue, distributed to a known addressee**
  - a) You must retain a list of individual recipients for one designated issue each reporting period (the Audit Issue - see General Principles and Record Keeping section). In addition you must be able to recreate a list for any issue in the reporting period on request.
  - b) You must be able to demonstrate the copy is distributed to the addressee.
3. **Single copy knowingly paid for by the subscriber**
  - a) The subscriber must be the addressee except:
    - i) Where the addressee is an employee whose employer is the subscriber.
    - ii) Where the addressee is the recipient of a gift subscription from the subscriber (maximum 12 gift subscriptions per subscriber).
  - b) The purchase by the subscriber may be in cash or by other means agreed by ABC in writing.
  - c) You can claim copies where payment is outstanding as long as there are reasonable grounds to consider them to be live, good and collectable.
4. **For a contracted period and for a minimum number of issues (at least two)**
  - a) Back issues up to 12 months old supplied as part of a subscription agreement can be claimed against the issue current at the time of sale.

**5. Standard subscription rates must be published**

- a) The 'Basic Annual Rate' (BAR) is the standard 1 year subscription rate for the publication, in contrast to a special price only available to a limited class, or under limited conditions.
- b) There can only be 1 BAR per country/wider geographical region.

**6. Reported by rate, comparing price paid by subscriber with standard rate**

- a) You must claim a subscription in the appropriate rate band by comparing the price paid for the subscription with the relevant Basic Annual Rate at the time of sale (pro-rate if less than 1 year). Note - ignore for ABC purposes:
  - i) Bank charges or exchange rate differences
  - ii) The value (or perceived value) of any gifts, or other incentives (including bundled publications or media products that are not claimed for ABC purposes). However cash reimbursements to the consumer must be taken into account.
- b) If a subscription promotion includes a gift or product that is being claimed for ABC purposes (for example a bundled copy of a publication or access to a paid website) then the price paid must be allocated according to the following, moving down the list until one can be applied:
  - i) According to the specific terms of the offer.
  - ii) Where specific terms are not clear, by pro-rating the price according to the relative prices of the ABC claimed products.
  - iii) Where the specific terms are not clear and in the absence of a means of pro-rating the price paid, it should be divided equally between the number of ABC claimed products included in the sale.
- c) Where a subscription is sold through a subscription agent:
  - i) Copies can be claimed as sold at Basic Annual Rate unless they are known to be discounted.
  - ii) Linked incentives offered by the agent (with no contribution from the publisher) will be ignored for ABC purposes.
- d) You may treat subscription orders for more than one year as a sale at Basic Annual Rate if the published multi-year subscription rate when pro-rated to 1 year:
  - i) Is at least 90% of the BAR for a two year subscription; or
  - ii) Is at least 85% of the BAR for a three year subscription.
- e) If you do not publish a relevant BAR then those copies must be claimed in the lowest rate band.
- f) You must retain details of subscription rates and special offers during the reporting period

**REPORTING**

You will report single copy subscription sales as follows, which will be broken out on the ABC Certificate (note: the term Full Rate will replace Basic Annual Rate for reporting purposes):

- 1. By geographical type:
  - a) United Kingdom and Republic of Ireland as one figure.
- 2. By rate band:
  - a) At Full Rate
  - b) Below Full Rate
- 3. By total average single copy subscription sale over the period.

4. By total single copy subscription sale for the selected normal issue.

## GUIDANCE

### G1. There must be a contractual arrangement between the subscriber and the publisher (or their agent)

- a) If you merge publications or purchase a subscription list from a ceased publication it must be clear that subscribers have made a choice to receive the claimed publication. Examples of how this may be achieved are shown below.

#### Merger

If you merge publications where there are live subscriptions:

#### Subscribers to one publication only

- You may continue to fulfil the contractual requirement of the subscription by mailing copies of the 'new' publication until the expiry of the subscription period.

#### Subscribers to both publications

- You may refund the unexpired portion of one subscription and continue mailing copies until the remaining subscription expires.

OR

- You may net the value of the unfulfilled subscriptions and allocate copies on an issue by issue basis until the value has been subsumed.

#### Purchase or transfer of subscription lists from a ceased publication

If you purchase or transfer a list of subscribers from a ceased publication, you could claim these as subscriptions if you could demonstrate:

- The amount each subscriber is 'in credit' in terms of the payments for their subscription to the ceased publication
  - How the credit is applied to the subscription to the claimed publication.
  - The subscriber has either
    - i. Elected to continue his subscription to the claimed publication; or
    - ii. Has been given the option to discontinue his subscription to the ceased publication and obtain a refund.
- b) As records for two or three year subscriptions may need to be provided for audit you must ensure these are still available. You may wish to ask us to seal the galley (mailing list) at audit where this might prove difficult going forward.

### G2. Single copy per issue, distributed to a known addressee

- a) Distribution evidence: This will usually be from a third party company whose normal business is single copy distribution (such as Royal Mail). Typically the evidence will include testing the payment of invoices and related advice notes sufficient to identify the publication, issue, quantities and date distributed.

### G3. Single copy knowingly paid for by the subscriber

- a) Cash means legal tender notes and coins, cheque, credit/debit card, wireless payment systems.
- b) Where payment is outstanding you may take into account the following in considering whether there are reasonable grounds to consider the debt to be live, good and collectable:
- i) Publisher's normal credit terms
  - ii) Payment history
  - iii) Credit control efforts

### G4. For a contracted period and for a minimum number of issues (at least two)

- a) The contracted period may be a rolling issue by issue (or open ended) arrangement providing the contractual arrangements clearly intend there to be an on-going payment mandate and the sale is not promoted as a single copy purchase.

**G5. Standard subscription rates must be published**

- a) Published does not mean necessarily published in the publication but published so that they are publicly available.

**G6. Reported by rate, comparing price paid by subscriber with standard rate**

- a) [Requirement 6b showing examples ] If a subscription promotion includes a gift or product that is being claimed for ABC purposes (for example a bundled copy of a publication or access to a paid website) then the price paid must be allocated according to the following, moving down the list until one can be applied:
  - i) According to the specific terms of the offer. *For example: Buy X magazine get Y free means Y will be treated as free*
  - ii) Where specific terms are not clear, by pro-rating the price according to the relative prices of the ABC claimed products. *For example where the promotion is 'Buy a subscription to X and Y for £50' and X and Y have Basic Annual Subscription rates of £40 and £50 respectively then the £50 paid will be pro-rated in the ratio 40:50.*
  - iii) Where the specific terms are not clear and in the absence of a means of pro-rating the price paid, it should be divided equally between the number of ABC claimed products included in the sale.

Further Examples of Subscription Promotions:

What's in the subscription promotion?	How is it promoted?	Can it be claimed?	How is it claimed?	Criteria applied
Publication A + Handbag	Subscribe today and receive a free handbag	Yes	At price paid (handbag ignored as not ABC claimed)	i
Publication + Handbag	Buy handbag and receive free subscription to Publication A	Not as paid	Publication is free (could be claimed as free if appropriate criteria met).	i
Publication A + Marks & Spencer Vouchers	Subscribe for 3 months and receive vouchers for Marks & Spencer	Yes	At price paid (vouchers ignored as not ABC claimed)	i
Publication A and Publication B (both ABC claimed)	Subscribe to Publication A and receive Publication B free	Publication A Yes. Publication B Not as paid	Publication A at price paid (Publication B treated as free as promoted as free)	i
Publication A and Publication B (both ABC claimed: Publication A sub normally £80 and Publication B sub normally £40)	Subscribe to both Publication A and Publication B for £100	Yes, both.	£100 pro-rated = £67 Publication A and £33 Publication B	ii
Publication A and Publication B (both ABC claimed: Publication A sub normally £80 and Publication B sub normally £40) + Handbag	Subscribe to both Publication A and Publication B for £100 and receive a handbag worth £50	Yes, both.	£100 pro-rated = £67 Publication A and £33 Publication B (handbag ignored as not ABC claimed)	ii
Publication A and Website access (both ABC claimed: Publication A sub normally £100 but Website access is only available as a package with the Publication)	Subscribe to Publication A and receive website access – all for £100	Yes, both	£100 divided equally £50 for Publication A and £50 for website access (website access is not available either free or paid so no price can be identified to pro-rate).	iii
Publication A + Digital Edition (not ABC claimed)	Subscribe to Publication A for £100 and receive the Digital Edition worth £80	Yes	Publication A at £100 (Digital Edition ignored as not claimed)	i
Publication A + Digital Edition (both ABC claimed: Publication A sub normally £100 and Digital Edition sub normally £50)	Subscribe to Publication A and the Digital Edition for £120 (normally £150).	Yes, both	£120 pro-rated = Publication A at £80 and Digital Edition at £40	ii

b) Examples of promotional offers that would result in copies being claimed at a discounted rate:

‘Save 25% on your subscription’

‘2 years subscription for the price of one’

‘18 issues for the price of 12’

‘Buy 12 issues get 6 free’ (note: All 18 issues can be claimed as paid, with the price paid being allocated equally across them).

## RETAIL SALES (SALE OR RETURN)

### DEFINITION

A copy sold to a retailer, on a sale or return basis, for resale as a single copy to a consumer.

### PRINCIPLES

1. **Single copy knowingly paid for by the consumer to the retailer**
2. **Copies are purchased from the publisher by the retailer, on a sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**
3. **Cover price must be published on or inside front or back cover of the publication**
4. **The price paid for the publication by the consumer must be clear and conspicuous**
5. **There must be an incentive for unsold copies/net sale to be reported to the publisher**
6. **If the final net sale and/or rate classification are not known then estimates must be made**
7. **Reported by rate, comparing price paid by the consumer with the Basic Cover Price**

### REQUIREMENTS

1. **Single copy knowingly paid for by the consumer to the retailer**
  - a) The purchase by the consumer may be in cash or by other means agreed by ABC in writing.
  - b) Back issues up to 12 months old can be claimed against the issue current at the time of sale.
2. **Copies are purchased from the publisher by the retailer, on a sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**
  - a) 'Sale or Return' means unsold copies are returned or reported for credit. The copies claimed will therefore be the net sale (copies supplied less credited copies).
  - b) Where the publisher is not third party to the retailer then evidence of purchase by the consumer is required. *For example EPOS reports and retailer revenues.*
  - c) You must account for net sales on an issue by issue basis.
4. **The price paid for the publication by the consumer must be clear and conspicuous**
  - a) If a voucher from a publisher controlled promotion is used the amount paid by the consumer is deemed to be the total of the cash paid to the retailer and any cash they paid for the voucher.
  - b) The value (or perceived value) of gifts or cover mounts to the consumer have no effect on the price paid for ABC purposes. However cash reimbursements to the consumer must be taken into account (excluding limited low chance lottery style promotions).
  - c) You must retain details of promotional or special offers during the reporting period.
6. **If the final net sale and/or rate classification are not known then estimates must be made**
  - a) If at the time you submit your circulation claim:
    - i) Unsold copies could still be returned or reported, you must make an estimate of final sales.

- ii) You are running a promotional scheme where the final position (e.g. the number of discounted sales via redeemed vouchers) is not known you must make an estimate of the final net sale and classification.

You must adjust your claim in the following period to reflect any difference between the estimated net sale and classification and the actual net sale and classification.

- b) In relation to promotional schemes utilising voucher redemption: If you are reporting on a monthly basis and the effect of not making an estimate is judged to be unlikely to affect the figures claimed by more than 2% of the total average circulation then you can account for the vouchers on a wash through basis (i.e. as they are redeemed).

#### **7. Reported by rate, comparing price paid by the consumer with the Basic Cover Price**

- a) Sales by retailers will be treated as sales at the cover price unless there is evidence to the contrary.

### **REPORTING**

You will report retail sales as follows, which will be broken out on the ABC Certificate (note: the term Full Rate will replace full or Basic Cover Price for reporting purposes):

1. By geographical type:
  - a) United Kingdom and Republic of Ireland as one figure.
2. By rate band:
  - a) At Full Rate
  - b) Below Full Rate
3. By total average retail sales over the period.
4. By total retail sales (combined with single copy sales) for the selected normal issue.

### **GUIDANCE**

#### **G1. Single copy knowingly paid for by the consumer**

- a) Cash means legal tender notes and coins, cheque, credit/debit card, wireless payment systems.
- b) This doesn't preclude a retailer selling more than one copy to a single purchaser (without the publisher's knowledge).

#### **G2. Copies are purchased from the publisher by the retailer, on a sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**

- a) You will need to ensure all records required to support the retail sale claim are available for audit. This will include:
  - i) Full details of the exact numbers claimed as unsold or returned copies (including undelivered, lost or stolen copies) for every issue in the audit period.
  - ii) Full issue by issue details of all financial records and contracts with distributors, wholesalers and retailers, with specific regard to normal and recognised trade terms. These must be reconcilable to the distribution and returns records on an issue specific basis and to the average net retail sales claim.
  - iii) Details of any change in trading terms from firm sale (if allowed) to sale or return (either temporarily or permanently) or vice versa.
  - iv) Details of discounts, special offers or restrictions on the return of unsold or undelivered copies.
- b) Copies reported using a pay on scan system will be reported in this category. You will need to ensure appropriate records of sales are available for audit.
- c) Retail sales of Digital Editions via a third party retailer (*for example Apple Newsstand, Google, Amazon etc*) will be reported in this category.

**G4. The price paid for the publication by the consumer must be clear and conspicuous**

a) As the price paid may be affected by promotional schemes you should keep details of purchases and promotional spends so you can demonstrate copies are purchased and that sales under incentives/offers are classified correctly, or disallowed as necessary. You can contact ABC for confidential advice, supplying copies of the promotional material and offer wording. The information kept may include:

- Title/s involved
- Issues involved
- Duration of promotion
- Retail outlets involved
- Wording of the promotion displayed at the retail outlet/s
- How the resultant copies are claimed
- How the promotion will be paid for

b) Treatment of bundle/package promotions

i) As each case can vary we recommend you contact us for advice before carrying out your promotion.

ii) How the price of the publication is presented to the consumer will affect how or whether the copy may be claimed for ABC purposes.

- If the price of the publication appears in the promotional material and it is legible (taking into account its presentation and prominence (including the size of the font used) and assuming a reasonable speed of reading) then the price is likely to be considered clear and conspicuous.
  - o Stating the publication's price in relation to the promotion/bundle in the main wording of the offer will provide most clarity.
  - o The further away from the main offer wording and/or less prominent in the promotion the price of the publication becomes, the more likely it will not be considered clear and conspicuous.
  - o If the price of the publication is linked to the main offer wording with, say, an asterisk - this would make it more conspicuous.
- Merely stating the price of the publication without reference to the bundle/package could just be a statement about the normal price of the publication and so will not necessarily render the price clear and conspicuous.
- If there is conflicting information about the price, then the lowest price assessment would be taken for ABC purposes (which might mean it is free).
- The absence of a clear and conspicuous price would render the copies as free, as would explicit wording stating the publication is free.

Examples:

1. Promotion "*Buy the publication and a bottle of water for £x*".

The price of the publication is not clear and conspicuous.

2. Promotion "*Buy the publication and a bottle of water for £x*" which is accompanied by the statement "*The price of the publication in this promotion is £y*".

The price of the publication is likely to be considered clear and conspicuous if the accompanying statement is either within the main body of the promotion, or is in a footnote that is asterisked to the main body and is legible.

3. Promotion "*Buy the publication and bottle of water for £x.*" Elsewhere in promotion "*Publication is £y Monday to Friday and £z on Saturdays*".



The price of the publication is not in the promotion and is unlikely to be considered clear and conspicuous as this statement appears to be the normal price of the publication.

4. Promotion: If a publication ‘ABC News’ is promoted as ‘Buy ABC News for £x and get a free bottle of water’ then the bottle of water is treated as a free gift and it is clear the price paid is solely for the purchase of the publication.
  5. Promotion: If the promotion is ‘Buy a bottle of water and get a free copy of ABC News’ then the publication will be treated as free for ABC purposes.
- c) Per section 4b: “The discount or cash reimbursement must be taken into account

Examples:

1. Promotion: “Buy publication and spend £5 and you get £1 off your publication”.

The publication is discounted by £1.

2. Promotion: “Buy publication, spend £5 and get £1 off your shopping basket”.

The publication is discounted as it is part of the shopping basket, but it is difficult to determine how much it is discounted and will be considered on a case by case basis. In this example, using the minimum spend requirement of the offer gives a 20% discount and would seem a reasonable treatment.

3. Promotion: “Buy publication and get £1 off a jar of coffee”. Or “Buy publication and get the money off the rest of your shopping”.

The publication is full price, provided that the publication is sold at full price and the reimbursement does not exceed the cost of the items being discounted.

**G6. If the final net sale and/or rate classification are not known then estimates must be made**

- a) Estimates of final sale

An assessment of likely sales should be based on current and historic information such as:

- Current levels of sales and unsold copies
- Historic data and seasonal trends
- Promotional activity
- Print orders
- Competitor activity
- Information from sales force

Particular attention should be given to periods of promotion, re-launch and to non-UK circulation in general in order to arrive at a fair and reasonable representation of the net circulation. You should record the calculations and assumptions used to arrive at the estimated net sale.

- b) All unsold copies must be accounted for. This means that all estimates of net sale must be reviewed in the next audit period to establish their accuracy and that claim adjusted to account for any over or under estimate from the previous period. This must be done for each relevant geographical area reported [Note: If the difference for a period is found to be material following an ABC audit or inspection, ABC may amend the Certificate for the period to which the estimate relates).

*Worked example (assuming 12 issues in a reporting period)*

Issue ID	Supply	Total Returns	Net Sale	Sales%
1	88,500	26,229	62,271	70.36% closed
2	88,500	24,728	63,772	72.06% closed
3	88,250	23,688	64,562	73.26% closed

4	89,630	14,266	75,364	71.08% closed
5	89,820	27,620	62,200	69.25% closed
6	89,650	21,982	67,668	75.48% closed
7	88,500	26,229	62,271	70.36% closed
8	88,500	24,728	63,772	72.06% closed
9	88,250	23,688	64,652	73.26% closed
10	89,630	14,266	75,364	84.08% unclosed
11	89,820	9,655	80,165	89.25% unclosed
12	89,650	465	89,185	99.48% unclosed

In this example issues 10, 11 and 12 are not yet closed so an estimate of the final net sales figures have to be made using the criteria mentioned above. You will, of course, notice that a proportion of the unsold copies have already been received, but at this stage you should just concentrate on what you think the final net sales will be.

When all the estimates have been made the final figures for your claim may look something like this: -  
Issue Total

ID	Supply	Returns	Est. Sale	Sales%
10	89,630	25,096	64,534*	72% Estimated
11	89,820	25,150	64,670*	72% Estimated
12	89,650	24,205	65,445*	73% Estimated

This means that your estimate of final net sale for these three unclosed issues is 194,649\*.

Adjustment for the estimate

In the next reporting period you would have a report giving you the actual net sales for issues 10, 11 and 12 because by then they would be closed off and complete. For example, the final report may be as follows:

Issue	Total	Actual		
ID	Supply	Returns	Sale	Sales%
10	89,630	25,382	64,248*	71.68%
11	89,820	25,884	63,936*	71.18%
12	89,650	26,312	63,338*	70.65%

In this example the actual net sales relevant to your estimate, is 191,522\*.

The difference between your original estimate and the actual figure (i.e. 194,649 minus 191,522) means you have overestimated sales by a total of 3,127 copies over those 3 issues.

The average overestimate of sold copies was therefore 3,127 divided by 12 (total issues in the previous period) = 261.

So you must deduct 261 copies from the average in the current period, to ensure the overestimate from the previous period is accounted for.

- c) In relation to promotional schemes utilising voucher redemption a wash through basis means vouchers are accounted for as they are redeemed. The specific point at which they are treated as redeemed is not prescribed but you should use a reasonable and consistent basis.

## RETAIL SALES (LIMITED SALE OR RETURN)

### DEFINITION

A copy sold to a retailer, on a limited sale or return basis, intended for resale as a single copy to a consumer.

### PRINCIPLES

1. **Single copy made available for purchase by the consumer from the retailer**
2. **Copies are purchased from the publisher by the retailer, on a limited sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**
3. **Cover price must be published on or inside front or back cover of the publication**
4. **The price paid for the publication by the consumer must be clear and conspicuous**
5. **There must be an incentive for unsold copies/net sale (to the limit) to be reported to the publisher**
6. **If the final net sale and/or rate classification are not known then estimates must be made**
7. **Reported by rate, comparing price paid by the consumer with the Basic Cover Price**

### REQUIREMENTS

1. **Single copy made available for purchase by the consumer from the retailer**
  - a) The purchase by the consumer may be in cash or by other means agreed by ABC in writing.
  - b) Back issues up to 12 months old can be claimed against the issue current at the time of sale.
2. **Copies are purchased from the publisher by the retailer, on a limited sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**
  - a) 'Limited Sale or Return' means unsold copies are returned or reported for credit up to a limit contractually agreed with the retailer. The copies claimed will therefore be the net sale (copies supplied less credited copies).
  - b) You must account for net sales on an issue by issue basis.
4. **The price paid for the publication by the consumer must be clear and conspicuous**
  - a) If a voucher is used the amount paid by the consumer is deemed to be the total of the cash paid to the retailer and any cash they paid for the voucher.
  - b) The value (or perceived value) of gifts or cover mounts to the consumer have no effect on the price paid for ABC purposes. However cash reimbursements to the consumer must be taken into account (excluding limited low chance lottery style promotions).
  - c) You must retain details of promotional or special offers during the reporting period.
6. **If the final net sale and/or rate classification are not known then estimates must be made**
  - a) If at the time you submit your circulation claim:
    - i) Unsold copies could still be returned or reported, you must make an estimate of final sales, taking into account the agreed returns limits with retailers.
    - ii) You are running a promotional scheme where the final position (e.g. the number of discounted sales via redeemed vouchers) is not known you must make an estimate of the final net sale and classification.

You must adjust your claim in the following period to reflect any difference between the estimated net sale and classification and the actual net sale and classification.

- b) In relation to promotional schemes utilising voucher redemption: If you are reporting on a monthly basis and the effect of not making an estimate is judged to be unlikely to affect the figures claimed by more than 2% of the total average circulation then you can account for the vouchers on a wash through basis (i.e. as they are redeemed).

**7. Reported by rate, comparing price paid by the consumer with the Basic Cover Price**

- a) Sales by retailers will be treated as sales at the cover price unless there is evidence to the contrary.

## REPORTING

You will report retail sales as follows, which will be broken out on the ABC Certificate (note: the term Full Rate will replace full or Basic Cover Price for reporting purposes):

1. By geographical type:
  - a) United Kingdom and Republic of Ireland as one figure.
2. By rate band:
  - a) At Full Rate
  - b) Below Full Rate
3. By total average retail sales over the period.
4. By total retail sales (combined with single copy sales) for the selected normal issue.

## GUIDANCE

**G1. Single copy made available for purchase by the consumer from the retailer**

- a) Cash means legal tender notes and coins, cheque, credit/debit card, wireless payment systems.
- b) This doesn't preclude a retailer selling more than one copy to a single purchaser (without the publisher's knowledge).

**G2. Copies are purchased from the publisher by the retailer, on a limited sale or return basis, either direct or via the distribution chain (typically distributor and/or wholesaler)**

- a) You will need to ensure all records required to support the limited retail sale claim are available for audit. This will include:
  - i) Full details of the exact numbers claimed as unsold or returned copies (including undelivered, lost or stolen copies) for every issue in the audit period.
  - ii) Full issue by issue details of all financial records and contracts with distributors, wholesalers and retailers, with specific regard to normal and recognised trade terms and the agreed limited returns. These must be reconcilable to the distribution and returns records on an issue specific basis and to the average net retail sales claim.
  - iii) Details of any change in trading terms from firm sale (if allowed) to sale or return (either temporarily or permanently) or vice versa.
  - iv) Details of discounts, special offers or restrictions on the return of unsold or undelivered copies.
- b) Copies reported using a pay on scan system may be reported in this category. You will need to ensure appropriate records of sales are available for audit.

**G4. The price paid for the publication by the consumer must be clear and conspicuous**

- a) As the price paid may be affected by promotional schemes you should keep details of purchases and promotional spends so you can demonstrate copies are purchased and that sales under incentives/offers are classified correctly, or disallowed

as necessary. You can contact ABC for confidential advice, supplying copies of the promotional material and offer wording. The information kept may include:

- Title/s involved
- Issues involved
- Duration of promotion
- Retail outlets involved
- Wording of the promotion displayed at the retail outlet/s
- How the resultant copies are claimed
- How the promotion will be paid for

b) Treatment of bundle/package promotions

- i) As each case can vary we recommend you contact us for advice before carrying out your promotion.
- ii) How the price of the publication is presented to the consumer will affect how or whether the copy may be claimed for ABC purposes.
  - If the price of the publication appears in the promotional material and it is legible (taking into account its presentation and prominence (including the size of the font used) and assuming a reasonable speed of reading) then the price is likely to be considered clear and conspicuous.
    - o Stating the publication's price in relation to the promotion/bundle in the main wording of the offer will provide most clarity.
    - o The further away from the main offer wording and/or less prominent in the promotion the price of the publication becomes, the more likely it will not be considered clear and conspicuous.
    - o If the price of the publication is linked to the main offer wording with, say, an asterisk - this would make it more conspicuous.
  - Merely stating the price of the publication without reference to the bundle/package could just be a statement about the normal price of the publication and so will not necessarily render the price clear and conspicuous.
  - If there is conflicting information about the price, then the lowest price assessment would be taken for ABC purposes (which might mean it is free).
  - The absence of a clear and conspicuous price would render the copies as free, as would explicit wording stating the publication is free.

Examples:

1. Promotion "*Buy the publication and a bottle of water for £x*".

The price of the publication is not clear and conspicuous.

2. Promotion "*Buy the publication and a bottle of water for £x*" which is accompanied by the statement "*The price of the publication in this promotion is £y*".

The price of the publication is likely to be considered clear and conspicuous if the accompanying statement is either within the main body of the promotion, or is in a footnote that is asterisked to the main body and is legible.

3. Promotion "*Buy the publication and bottle of water for £x.*" Elsewhere in promotion "*Publication is £y Monday to Friday and £z on Saturdays*".

The price of the publication is not in the promotion and is unlikely to be considered clear and conspicuous as this statement appears to be the normal price of the publication.

4. Promotion: If a publication 'ABC News' is promoted as '*Buy ABC News for £x and get a free bottle of water*' then the bottle of water is treated as a free gift and it is clear the price paid is solely for the purchase of the publication.
  5. Promotion: If the promotion is '*Buy a bottle of water and get a free copy of ABC News*' then the publication will be treated as free for ABC purposes.
- c) Per section 4b: "The discount or cash reimbursement must be taken into account

Examples:

1. Promotion: "*Buy publication and spend £5 and you get £1 off your publication*".

The publication is discounted by £1.

2. Promotion: "*Buy publication, spend £5 and get £1 off your shopping basket*".

The publication is discounted as it is part of the shopping basket, but it is difficult to determine how much it is discounted and will be considered on a case by case basis. In this example, using the minimum spend requirement of the offer gives a 20% discount and would seem a reasonable treatment.

3. Promotion: "*Buy publication and get £1 off a jar of coffee*". Or "*Buy publication and get the money off the rest of your shopping*".

The publication is full price, provided that the publication is sold at full price and the reimbursement does not exceed the cost of the items being discounted.

**G6. If the final net sale and/or rate classification are not known then estimates must be made**

- a) Estimates of final sale

An assessment of likely sales should be based on current and historic information such as:

- Current levels of sales and unsold copies
- Historic data and seasonal trends
- Promotional activity
- Print orders
- Competitor activity
- Information from sales force

Particular attention should be given to periods of promotion, re-launch and to non-UK circulation in general in order to arrive at a fair and reasonable representation of the net circulation. You should record the calculations and assumptions used to arrive at the estimated net sale.

- b) All unsold copies that are capable of being credited must be accounted for. This means that all estimates of net sale must be reviewed in the next audit period to establish their accuracy and that claim adjusted to account for any over or under estimate from the previous period. This must be done for each relevant geographical area reported (Note: If the difference for a period is found to be material following an ABC audit or inspection, ABC may amend the Certificate for the period to which the estimate relates].
- c) In relation to promotional schemes utilising voucher redemption a wash through basis means vouchers are accounted for as they are redeemed. The specific point at which they are treated as redeemed is not prescribed but you should use a reasonable and consistent basis.

## SINGLE COPY SALES

### DEFINITION

A single copy sold to a consumer direct by the publisher.

### PRINCIPLES

1. **Single copy knowingly paid for by the consumer**
2. **Copies are purchased direct from the publisher**
3. **Cover price must be published on or inside front or back cover of the publication**
4. **The price paid for the publication by the consumer must be clear and conspicuous**
5. **If the final rate classification is not known then estimates must be made**
6. **Reported by rate, comparing price paid by the consumer with the Basic Cover Price**

### REQUIREMENTS

1. **Single copy knowingly paid for by the consumer**
  - a) The purchase by the consumer may be in cash or by other means agreed by ABC in writing.
  - b) Back issues up to 12 months old can be claimed against the issue current at the time of sale.
2. **Copies are purchased direct from the publisher**
  - a) You must account for sales on an issue by issue basis.
4. **The price paid for the publication by the consumer must be clear and conspicuous**
  - a) If a voucher from a publisher controlled promotion is used the amount paid by the consumer is deemed to be the total of the cash paid to the publisher and any cash they paid for the voucher.
  - b) The value (or perceived value) of gifts or cover mounts to the consumer have no effect on the price paid for ABC purposes. However cash reimbursements to the consumer must be taken into account.
  - c) You must retain details of promotional or special offers during the reporting period.
5. **If the final rate classification is not known then estimates must be made**
  - a) If at the time you submit your circulation claim you are running a promotional scheme where the final position (e.g. the number of discounted sales via redeemed vouchers) is not known you must make an estimate of the final classification.  
  
In this case you must adjust your claim in the following period to reflect any difference between the estimated classification and the actual classification.
  - b) In relation to promotional schemes utilising voucher redemption: If you are reporting on a monthly basis and the effect of not making an estimate is judged to be unlikely to affect the figures claimed by more than 2% of the total average circulation then you can account for the vouchers on a wash through basis (i.e. as they are redeemed).

### REPORTING

You will report single copy sales as follows, which will be broken out on the ABC Certificate (note: the term Full Rate will replace full or Basic Cover Price for reporting purposes):

1. By geographical type:
  - a) United Kingdom and Republic of Ireland as one figure.
2. By rate band:
  - a) At Full Rate
  - b) Below Full rate
3. Combined with total average retail sales over the period.
4. Combined with total retail sales for the selected normal issue.

## GUIDANCE

### G1. Single copy knowingly paid for by the consumer

- a) Cash means legal tender notes and coins, cheque, credit/debit card, wireless payment systems.

### G2. Copies are purchased direct from the publisher

- a) You will need to ensure all records required to support the single copy sale claim are available for audit. This will include financial records that adequately identify the numbers of each issue of the publication sold, including an audit trail to verify the money received.
- b) For copies sold at exhibitions or events evidence you may need might include:  
Till receipts/cash sheets allowing monies to be traced through to evidence of banking.  
Evidence that the publisher or their representatives had a presence at the exhibition or event to corroborate that copies were sold there. *For example: evidence the publisher had booked a stand or pitch at the event, or evidence the copies were delivered to the event venue.*

### G4. The price paid for the publication by the consumer must be clear and conspicuous

- a) As the price paid may be affected by promotional schemes you should keep details of purchases and promotional spends so you can demonstrate copies are purchased and that sales under incentives/offers are classified correctly, or disallowed as necessary. You can contact ABC for confidential advice, supplying copies of the promotional material and offer wording. The information kept may include:
  - Title/s involved
  - Issues involved
  - Duration of promotion
  - Outlets involved
  - Wording of the promotion displayed
  - How the resultant copies are claimed
  - How the promotion will be paid for
- b) Promotions/gifts examples
  - If a publication 'ABC News' is promoted as 'Buy ABC News and get a free bottle of water' then the bottle of water is treated as a free gift and it is clear the price paid is solely for the purchase of the publication.
  - If the promotion is 'Buy a bottle of water and get a free copy of ABC News' then the publication will be treated as free for ABC purposes.

### G5. If the final rate classification is not known then estimates must be made

- a) In relation to promotional schemes utilising voucher redemption a wash through basis means vouchers are accounted for as they are redeemed. The specific point at which they are treated as redeemed is not prescribed but you should use a reasonable and consistent basis.



## DIGITAL EDITIONS

### DEFINITION

A digital edition is an edition of the print publication published electronically as a unit which once published is, as a principle, inert (i.e. does not change).

### PRINCIPLES

1. **Prior notification of Digital Edition claims and plans are required**
2. **A Digital Edition is sufficiently similar to be considered the same product as the print parent edition**
3. **Digital Edition copies are opted in**
4. **A Digital Edition is published and available to the consumer**
5. **Digital Edition copies must meet requirements of the relevant print category except where varied by this section**
6. **Reported by rate, comparing price paid with the print copy price**
7. **Optional metrics/breakdowns can be reported**

### REQUIREMENTS

1. **Prior notification of Digital Edition claims and plans are required**
  - a) Digital Edition claims must be audited by ABC Staff Auditors.
  - b) You must register your intention to claim in advance of the publication of the issues as part of the audit is carried out during the reporting period.
  - c) You must provide planned distribution dates in advance and notify us of any changes.
2. **Digital Edition is sufficiently similar to be considered the same product as the print parent edition**
  - a) A Digital Edition must be identified as an edition of a publication reported on the ABC Certificate (the Parent Edition). This means it must carry a logotype/masthead incorporating the generic name of the Parent Edition and be consistent with the general appearance of the Parent Edition.
  - b) A Digital Edition is published electronically as a unit and once published is, as a principle inert.
  - c) It may be reformatted to suit the different delivery medium. *For example: changes in page size or order.*
  - d) Editorial or advertising may include electronic enhancements or be adapted to take advantage of the medium. *For example: pictures replaced with video*
  - e) Compared to the print parent edition:
    - i) You can reduce the editorial by up to about 5%.
    - ii) You can publish additional editorial in the digital edition, up to about 25%.You must declare editorial changes when submitting your claim to ABC and be able to demonstrate they fall within the permitted parameters.
  - f) A digital edition must carry all of the ROP (not classified) advertisements (by number and advertisers) that appear in the parent edition unless agreed otherwise with the advertiser/agency.

- g) You can sell advertisements for inclusion in the digital edition only.
- h) If editorial or advertising renders the digital edition illegal for publication the specific advertising/editorial may be removed. In this instance you can ignore the relevant editorial/advertising from your calculations of changes.
- i) Digital editions and their parent edition must be published on or about a common distribution date.

**3. Digital Edition copies are opted in**

- a) The individual must have either specifically purchased the Digital Edition, or requested to receive/view it.

**4. A Digital Edition is published and available to the consumer**

- a) You must provide ABC with free access to the digital edition for every issue.

**5. Digital Edition copies must meet requirements of the relevant print category except where varied by this section**

- a) Digital Edition copies can be claimed only for specified circulation categories depending on the sector. The requirements of those categories in relation to print copies apply to Digital Edition copies except as varied by this section.
- b) In relation to all paid categories you must be able to demonstrate the copy has been sold and at what price.
- c) If the purchaser pays less than 20% of the UK print copy price or it is received free:
  - i) You must capture their name, postal address and email address.
  - ii) You can only claim one Digital Edition copy per individual.
  - iii) You cannot claim the copy if you have provided a paid or free print copy to the same individual (where known).
  - iv) For Corporate Subscription Digital Editions:
    - There must be a contractual arrangement between the purchaser (a third party employer) and the publisher for at least two issues.
    - The copies are purchased by the third party employer for its employees.
    - The claimed quantity must be restricted to those employees that have personally opted to receive/view the Digital Edition. *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.*
- d) If the purchaser pays at least 20% of the UK print copy price then there is no requirement to provide details of the purchaser.
- e) In relation to free Digital Edition copies (where applicable):
  - i) You must send an email alert to the individual informing them that the issue is available for view/download.
  - ii) You must exclude copies where the email alert generates a Hard Bounceback measured at least 24 hours after the email was sent. A Hard Bounceback is where an NDN (Non-Delivery-Notice) such as an SMTP 550 error or other hard bounceback error message is received.
  - iii) You must be able to provide evidence of the emails sent and Hard Bouncebacks received.
  - iv) Recipients may be contacted as part of the audit process.
- f) You must retain and supply us on an issue by issue basis (or as otherwise agreed) a list of individual recipients for each issue (the 'Total Distribution List' (TDL)) which includes details of all the recipients of individually distributed print copies and all Digital Edition copies (other than those purchased for 20% or more of the UK print copy price). We must be able to identify the circulation category/type each copy is claimed in. As referred to above, this list should exclude:

- i) Duplicate records (i.e. each individual on the list can only be claimed once - the print copy takes precedence).
- ii) Individuals where Hard Bouncebacks have arisen from email notifications for Digital Editions.
- g) You must supply us the claim for Digital Edition copies on an issue by issue basis (or as otherwise agreed).

#### **6. Reported by rate, comparing price paid with the print copy price**

- a) Paid digital edition copies must be claimed in the appropriate rate band by comparing the price paid with the UK print copy Basic Cover Price (single copy sales) and the UK print copy Basic Annual Rate (subscriptions). Note:
  - i) You can ignore the value (or perceived value) of any gifts, or other incentives (including bundled publications or media products that are not claimed for ABC purposes). However cash reimbursements to the consumer must be taken into account (excluding limited low chance lottery style promotions).
- b) If a subscription promotion includes a gift or product that is being claimed for ABC purposes (for example a bundled copy of a publication or access to a paid website) then the price paid must be allocated according to the following, moving down the list until one can be applied:
  - i) According to the specific terms of the offer.
  - ii) Where specific terms are not clear, by pro-rating the price according to the relative prices of the ABC claimed products.
  - iii) Where the specific terms are not clear and in the absence of a means of pro-rating the price paid, it should be divided equally between the number of ABC claimed products included in the sale.
- c) If a publication's digital edition copy is sold bundled as a package with the print copy (whether for a single issue or a subscription) then the treatment is as follows:
  - i) Both the digital edition and the print copy can be included in the ABC claim if the price paid for the package exceeds the UK print copy Basic Cover Price (single copy sale) or UK Basic Annual Rate (subscriptions) by at least 20%.
  - ii) If the price paid for a package bundling a publication's print and a digital edition is less than 20% above the UK print copy Basic Cover Price (single copy sale) or the UK print copy Basic Annual Rate (subscriptions) then only the print copy can be included in the ABC claim.

#### **7. Optional metrics/breakdowns can be reported**

- a) You may make a statement on the Certificate of the average number of additional digital edition copies per issue that have been paid for or requested free (where applicable) by individuals, but which are not included in the ABC claim because a print copy to those individuals has been claimed. Note: Only one additional digital edition copy per issue per individual can be claimed.
- b) You may report a breakdown of Digital Editions by browser, device or other identifiable and auditable metric.

### **REPORTING**

You will report total average Digital Edition copies and total Digital Edition copies for the selected normal issue as follows, which will be broken out on the ABC Certificate:

- 1. By geographical type:
  - a) United Kingdom and Republic of Ireland as one figure.
- 2. By circulation type:
  - a) As for print copies, in the same rate bands, but separate to print copies (i.e. not combined or in the total average circulation figure):
    - i) Single copy sales
    - ii) Single Copy Subscription Sales

- iii) Free Requested Delivered Copies
- b) Digital Edition specific:
  - i) Corporate Digital Edition subscriptions

## GUIDANCE

### G5. Digital Edition copies must meet requirements of the relevant print category except where varied by this section

- a) Typically to provide evidence of the email alerts to individuals informing them that the issue is available for view/download you will provide system generated proof (such as a notification log of the email alerts sent). This system generated proof would normally need to include evidence of what has been distributed, when and to whom, such as:
  - i) Date sent
  - ii) Time sent
  - iii) Name of publication
  - iv) Issue identifier
  - v) Email address
  - vi) Size of file delivered
  - vii) Addressee identifier
- b) Our testing of email alerts may involve email 'writebacks' to individuals on an on-going basis during the reporting period which is why we will ask for information throughout.
- c) Single copy retail sales of Digital Editions via a third party retailer (*for example Apple Newsstand, Google, Amazon etc*) will be reported in the category Retail Sales (Sale or Return). Single copy sales of Digital Editions direct to a consumer by the publisher will be claimed in the category Single Copy Sales.

### G6. Reported by rate, comparing price paid with the print copy price

- a) The rate band in which single copy sales of digital editions are claimed will be calculated by comparing the price paid against the UK print copy Basic Cover Price. The rate band in which digital edition subscriptions are claimed will be calculated by comparing the price paid against the UK 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  $80/200 = 40\%$*
- b) Both the digital edition and the print copy can be included in the ABC claim if the price paid for the package exceeds the UK print copy Basic Cover Price (single copy sale) or UK Basic Annual Rate (subscriptions) by at least 20%. *For example: If the BAR for a print subscription is £100, then to claim both the print and digital edition copy sold together in a subscription package, the package must be sold for at least £120.*

## REPORTED DATA

### INTRODUCTION

This section sets out other data and information that is reported on the ABC Certificate.

### REQUIREMENTS

#### 1. Total Average Distribution and selected normal issue Total Distribution

- a) You must report the total Average Distribution per issue.
  - i) Copies claimed in the following categories will be included in the total Average Distribution figure:
    - Free Pick Up Copies
    - Retail and Single Copy Sales, including:
      - Retail Sales (Sale or Return)
      - Retail Sales (Limited Sale or Return)
      - Single Copy Sales
    - Single Copy Subscription Sales
    - Free Requested Delivered Copies
    - Sample Free Distribution
  - ii) Digital Edition copies are reported separately to the print copies.
- b) You must report the Total Distribution for the selected normal issue analysed in the same categories as above.

#### 2. Issue details, circulations

- a) You must report the following for each:
  - i) The issue identifier. *For example cover date, issue number*
  - ii) The total circulation

#### 3. Format of Publication

- a) You must report the format of the publication. *For example tabloid/broadsheet, newspaper/magazine.*

#### 4. Target Audience

- a) The audience is a statement of intent, which you must be able to satisfy ABC is reasonable and consistent with the claimed distribution.

#### 5. Pagination, Editorial Content

- a) You must report the average pagination per issue for the Reporting Period (ignoring Excluded Issues). Note for the purposes of this rule:
  - i) You must only include the pagination of a supplement to any issue that:
    - Includes a referral or generic banner that clearly states the association to the host
    - Is distributed, bound in or inserted, within each copy of the issue.
  - ii) You must ignore a wrap-round ('wrap') or centre 'pull-out' (inserted in the centre pages) in relation to any issue providing:
    - The wrap/pullout consists of multiples of 4 pages.

- The wrap/pullout is not included in the issue's page numbering.
  - The normal publication including masthead remains intact inside the wrap.
  - Any publication branding on the wrap is consistent with the publication inside.
- b) You must report the average percentage editorial content per issue for the Reporting Period (ignoring Excluded Issues).  
Note for the purposes of this rule:
- i) You must include the editorial content for any issue, including or excluding supplements and wraps as defined for pagination above.
  - ii) You must identify the number of pages of editorial for any issue to the nearest half page and calculate the editorial content as a percentage of the pagination of that issue.
  - iii) You must treat as editorial content anything that is not advertising (including paid/free, in-house, advertorial/advertisement features). You are reminded that the British Code of Advertising, Sales Promotion and Direct Marketing (CAP Code) requires advertorials to be clearly labeled.

## BASIC COVER PRICE

### DEFINITION

The Basic Cover Price is the standard published price for an issue against which circulation is reported.

### PRINCIPLES

1. **The Basic Cover Price is a recognised standard price**
2. **A cover price must be published to claim certain categories of paid circulation**
3. **Copies reported by rate, comparing price paid with Basic Cover Price**

### REQUIREMENTS

1. **The Basic Cover Price is a recognised standard price**
  - a) The Basic Cover Price is the published cover price at which a single copy of the publication may be purchased without limitation and for an on-going duration, in contrast to a short-term price or special price only available to a limited class or under limited conditions.
2. **A cover price must be published to claim certain categories of paid circulation**
  - a) The relevant circulation section of these Reporting Standards will stipulate if a cover price must be published for copies to be included in the ABC claim. Where a cover price must be published it must be published on or inside the front or back cover of the publication.
  - b) If you fail to publish a cover price for an issue (that includes circulation that requires a cover price to be published) then:
    - i) You must notify ABC's Group Executive Director, Standards, Operations & Compliance before the return submission deadline explaining the reasons why it happened and what steps are being taken to prevent a recurrence.
    - ii) We may request further information or documentation surrounding the omission.
    - iii) We will review the circumstances surrounding the omission and if it is decided the occurrence is exceptional and the claim verifiable then the copies may be claimed.
3. **Copies reported by rate, comparing price paid with Basic Cover Price**
  - a) Circulation sections will stipulate if copies are reported by rate.
  - b) For publications reporting on a monthly basis a reduction in cover price will not be accepted as a Basic Cover Price until it has been in place for a minimum of two complete consecutive ABC monthly reporting periods. Note:
    - i) A change in the cover price will be ignored for this purpose where:
      - The monetary amount of the change (increase or decrease) wholly reflects the change in a purchase tax (e.g. VAT) levied on the publication; and
      - The change is made in a timescale that is consistent with it reflecting the tax change.

### REPORTING

You will report the following, which will be broken out on the ABC Certificate:

1. The cover price published on or within the last issue in the period.

## EDITIONS

### DEFINITION

An Edition is a version of an issue of the publication that varies from the Main Edition (the UK and/or ROI version that has the largest circulation), usually for reasons of geography, timing or content. How it has varied from the Main Edition will affect how or whether it can be included on the same ABC Certificate.

### PRINCIPLES

1. **An Edition must be in keeping with the overall issue to be reported on the same ABC Certificate**
2. **Changes to an Edition may require a breakout on the ABC Certificate**

### REQUIREMENTS

1. **An Edition must be in keeping with the overall issue to be reported on the same ABC Certificate**
  - a) The Edition must carry a logotype/masthead incorporating the generic name of the Main Edition.
  - b) The branding and appearance of the Edition must not give the impression that it is a different publication than the Main Edition. For the avoidance of doubt a change in format alone (such as a change in publication size) will not infringe this requirement.
  - c) The Edition must carry the same cover date/issue identification as the Main Edition.
  - d) The Edition must be published and distributed on or about the same date as the Main Edition.
  - e) All advertising (including classified) must be the same as in the Main Edition.
2. **Changes to an Edition may require a breakout on the ABC Certificate**
  - a) Advertising changes are ignored for ABC purposes if:
    - i) They are made solely because their inclusion would, in the opinion of the publisher, the advertiser or their agency render the publication illegal in a particular territory. Note: This opinion must be judged reasonable by the auditor and ABC.
    - ii) The advertisement has changed but it is the same advertiser.

*Note: wraps/centre pull-outs are also ignored subject to certain conditions – see Reported Data section 5a (ii).*
  - b) If you do need to breakout an Edition then the Main Edition will be broken out as well.

### GUIDANCE

No additional guidance.



## ISSUES TO BE INCLUDED/EXCLUDED

### DEFINITION

All published issues for which the majority of the distribution took place within the Reporting Period must be included except for any issues allowed to be excluded according to this section.

### PRINCIPLES

1. **All issues published in the Reporting Period must be included**
2. **Published issues that are allowed to be excluded according to this section may be removed from the average circulation figure**
3. **Issues allowed to be excluded from the average circulation figure will be reported**

### REQUIREMENTS

1. **All issues published in the Reporting Period must be included**
  - a) Whether an issue is included in the Reporting Period is determined by the date by which 50% of the claimed distribution is distributed/made available. For each component of distribution the date distributed/made available is determined as follows:
    - i) Mailed copies: The date the copies enter the distribution chain, i.e. when they are posted or delivered to a courier.
    - ii) Paid copies: The first date the copies are made available to the consumer, i.e. for retail sales the first official on sale date.
    - iii) Copies made available for pick up by consumer: The date the copies are made available/handed out to the consumer.
    - iv) Free Digital Edition copies: The date email notifications are sent.
2. **Published issues that are allowed to be excluded according to this section may be removed from the average circulation**
  - a) There are certain circumstances under which you may exclude an issue from the reported circulation. The circumstances and information surrounding any exclusion are subject to audit.
  - b) **Daily Publications - ABC granted exclusion:** You may exclude an issue for which we have issued an exclusion note. You can apply for an ABC granted exclusion if:
    - i) Due to circumstances outside your control:
      - The distribution of an issue fails to achieve the planned level of distribution and that shortfall is greater than 10% of the planned distribution;
      - The planned level of distribution is achieved but delivery is severely delayed, resulting in a shortfall in net distribution and that shortfall is greater than 10% of the average distribution of the previous four equivalent issues (e.g. for a Monday compare to Mondays etc). Note:
        - o If one or more of the last four issues are excluded because of an official National Public Holiday or Christmas/New year trading period exclusions then do not use this as one of the four comparable issue but go back one further issue.
        - o If one or more of the last four issues are excluded because of an ABC Granted Exclusion then it will be counted as one of the four comparable issues.
    - ii) The publication is likely to be affected because of the occurrence of a Local Bank Holiday (only recognised regionally or locally) and you have evidence the banks were closed or had restricted opening hours.

- iii) You submit your application to us using an ABC Exclusion Note Request Form:
  - For daily, weekly and fortnightly publications within 7 days of the normal issue date of the affected issue.
  - For monthly and lesser frequency publications within 30 days of the normal issue date of the affected issue.

If we do not issue an exclusion note we will issue a rejection notice detailing the reason for rejection.

- c) **Daily Publications - Optional exclusion:** You may optionally exclude the following issues without applying for an exclusion note:

- i) Any issue published on an Official National Public Holiday (England, Scotland, NI or Wales as appropriate).
- ii) Issues published during the Christmas/New Year trading period, which is defined as from Christmas Eve to the first Sunday after New Year's Day (inclusive). Note:
  - o If the fall of days renders these dates inappropriate ABC reserves the right to amend the dates for any particular year

- d) **Weekly Publications - ABC granted exclusion:** You may exclude an issue for which we have issued an exclusion note. You can apply for an ABC granted exclusion if:

- i) The normal net sale has been disrupted by the occurrence of an Official National Public Holiday (England, Scotland, NI or Wales as appropriate).
- ii) The publication is likely to be affected because of the occurrence of a Local Bank Holiday (only recognised regionally or locally) and you have evidence the banks were closed or had restricted opening hours.
- iii) The normal net sale has been disrupted by the occurrence of a religious holiday (with the exception of Easter Sunday) and you can demonstrate that the supplies to retailers have been curtailed on the day in question.
- iv) You submit your application to us using an ABC Exclusion Note Request Form:
  - For daily, weekly and fortnightly publications within 7 days of the normal issue date of the affected issue.
  - For monthly and lesser frequency publications within 30 days of the normal issue date of the affected issue.

If we do not issue an exclusion note we will issue a rejection notice detailing the reason for rejection.

- e) **Weekly Publications - Optional exclusion:** You may optionally exclude the following issues without applying for an exclusion note:

- i) Any two of the three issues published in the three weeks preceding the first Sunday after New Year's Day.
- ii) An issue published on Easter Sunday
- iii) In England, Northern Ireland or Wales either the issue published in the week containing Good Friday or the issue published in the week containing Easter Monday.
- iv) In Scotland the issue published in the week containing Good Friday.

### 3. Issues allowed to be excluded from the average circulation figure will be reported

- a) Any issues excluded from the reported circulation will be reported on the Certificate.

## REPORTING

You will report the following which will be reported on the ABC Certificate:

1. Number of issues included in the circulation claim.
2. Details of any issues excluded from the circulation claim, including for each:
  - a) The general reason for exclusion.
  - b) The total net distribution

**GUIDANCE**

No additional guidance.

## REPORTING PERIODS

### DEFINITION

Each ABC Certificate has a defined Reporting Period which identifies the date or dates it covers.

### PRINCIPLES

1. You must report a continuous series of Reporting Periods on a mandatory frequency
2. You can report optional shorter Reporting Periods

### REQUIREMENTS

1. You must report a continuous series of Reporting Periods on a mandatory frequency
  - a) Once we have issued a publication's first ABC Certificate we must continue to issue Certificates for subsequent consecutive mandatory Reporting Periods (i.e. so there is no gap in certification) while the publication remains registered.
  - b) The mandatory Reporting Period will either be:
    - i) Monthly - a four or five week period commencing on a Monday and ending on a Sunday. The exact dates to be included in each Reporting Period will be set out in a published ABC Accounting Calendar.
    - ii) 6 months, broadly January to June and 6 months, July to December each year. The exact dates will be based on reporting weeks commencing on a Monday and ending on a Sunday. These dates will be set out in a published ABC Accounting Calendar.
  - c) Changing the mandatory frequency, if possible, is expected to be infrequent. We reserve the right to reject or impose conditions on requests to change frequency if in our view this might affect transparency or comparability.
  - d) If in our opinion there are exceptional changes to a publication during the Reporting Period that mean issuing a Certificate for the mandatory Reporting Period in full might lead to confusion or a lack of transparency in the data certified, then we may agree or require the issue of more than one Certificate covering the mandatory period. *For example if a publication changes from a daily to a weekly publishing frequency during the period then one Certificate could be issued up until the point of change and one from that point to the end of the mandatory Reporting Period.*
2. You can report optional shorter Reporting Periods
  - a) Optional Reporting Periods are whole months or any number of whole months. Note: A month is a four or five week period commencing on a Monday and ending on a Sunday. The exact dates to be included in each Reporting Period will be set out in a published ABC Accounting Calendar.
  - b) For newly registered publications only, you can report single issues until the start of the next month.

### GUIDANCE

- G2. You can report optional shorter Reporting Periods
  - a) Please contact us regarding any additional optional periods as early as possible in order that we can discuss fees and scheduling of audits.

## CERTIFICATE TYPES

### DEFINITION

The ABC Certificate is published by ABC for a specific period and contains the data and information that is subject to audit.

### PRINCIPLES

1. **You must report using a standard Certificate type**
2. **You may choose to report using an optional Certificate type**

### REQUIREMENTS

1. **You must report using a standard Certificate type**
  - a) The key feature of the standard Certificate is that publications must report this as a minimum, presenting set information in a standardised format.
  - b) The mandatory Certificate may be either:
    - i) A Standard Certificate.
    - ii) A Cross-Platform Certificate that reports the same information as a Standard Certificate but with the addition of Digital Edition copies.
2. **You may choose to report using an optional Certificate type**
  - a) The key feature of optional Certificates is that they offer the reporting of additional information. They usually incorporate all the information that would be reported on a mandatory Certificate.
  - b) The optional Certificate available is:
    - i) A Group Certificate that combines the circulations from 2 or more publications' Certificates providing:
      - Each Certificate relates to the same Reporting Standards
      - Each Certificate is for the same Reporting Period
      - Each publication has the same publishing frequency

ABC will produce Group Certificates from the data submitted for the constituent publications.

### GUIDANCE

No additional guidance..

## RETURN FORM SUBMISSION, AUDIT, CERTIFICATION

### DEFINITION

The Return Form is a submission in which the circulation claim is reported to ABC for certification. Each circulation claim is subject to audit.

### PRINCIPLES

1. **A Return Form must be submitted for the registered product for every applicable Reporting Period**
2. **The Return Form must be submitted by the Submission Deadline**
3. **ABC will issue a Certificate based on the Return Form**
4. **Each circulation claim is audited to verify it is in accordance with the applicable Reporting Standards**

### REQUIREMENTS

1. **A Return Form must be submitted for the registered product for every applicable Reporting Period**
  - a) You must submit a Return Form for the applicable mandatory and optional Reporting Periods you have chosen to report.
  - b) We will advise you how to submit your Return Form. *For example online via the ABC eReturn website.* However if you have not heard from us at the appropriate time please contact us.
  - c) You will submit your Return Form to us, authorised by an appropriate individual representing your organisation.
  - d) Whilst our systems contain some arithmetic and logic validation processes, the accuracy of the Return Form remains your responsibility.
  - e) Estimates and assumptions must not be made on the Return Form unless the Reporting Standards allow for them, or we have authorised them.
2. **The Return Form must be submitted by the Submission Deadline**
  - a) We will publicise the applicable Submission Deadline.
  - b) It is your responsibility to ensure Return Forms are submitted by the Submission Deadline. Failure to do so can result in a penalty and/or cancellation of your product's ABC registration under the ABC Byelaws.
3. **ABC will issue a Certificate based on the Return Form**
  - a) We will publish the certified data on our website subject to any timing criteria applicable to the sector. We may also make arrangements to provide our data to be published via commercial data providers and to those who subscribe to our data services.
  - b) We first release the circulation figures for publications reporting on the monthly reporting cycle in an ABC concurrent release of data. We publicise the date and time of this release and you must not issue or publicise any figures before this release.
    - i) If we receive a Return Form by the submission deadline but cannot certify it (for whatever reason) in time for the concurrent release we will show it as 'Certificate pending'
    - ii) If we do not receive the Return Form in time for inclusion in an ABC report the publication we will show it as 'Not reported'.

- c) We will confirm when circulation figures not in a concurrent release will become publicly available, normally 5 working days after a draft Certificate has been sent to you.

**4. Each circulation claim is audited to verify it is in accordance with the applicable Reporting Standards**

- a) The audit must be carried out by ABC Staff Auditors.
- b) Requirements in relation to the auditor and audits will be covered by the ABC Byelaws, ABC Audit Programmes and contractual arrangements.
- c) If following an audit we identify material problems with the Return Form or Certificate then we will propose to revise the claim. If a Certificate has already been issued we will issue an updated certificate that identifies the changes. This replaces your original Certificate and must be used in its place. The process is as follows:
  - i) We will send you a letter detailing the reason/problem giving rise to the amendment.
  - ii) You will have 10 working days from the receipt of this letter to provide any further information to us, or object to the revision of the claim.
  - iii) If you wish to object to the revision of the claim you must do this in writing to the Director of Audit who will investigate and provide a decision within 10 working days. If the objection is to a decision by the Director of Audit or the Chief Executive then the first level of appeal will be in accordance with the Review Procedure detailed in the ABC Byelaws.
  - iv) Subsequent Certificates will not be issued until we have resolved all queries on a previous audit and issued the updated Certificate, if applicable.
  - v) We identify updated certificates on our website.

**GUIDANCE**

No additional guidance.

## CAPS BY SUPPLY TYPE – FREE PICK UP COPIES

### DEFINITION

The caps in this section set the maximum number of Free Pick up Copies that you can claim for designated supply types for non-daily publications and for daily publications where distributed airside and on trains.

Caps are expressed as a percentage of the ‘total potential penetration’ or other quantifiable measure.

### PRINCIPLES

1. **Copies must meet the requirements of the Free Pick Up Copy category**
2. **If the number of copies supplied is less than the cap then you must claim the actual supply**
3. **You cannot claim copies supplied over and above the cap**
4. **Caps cannot be ‘double-counted’ at a particular location already subject to its own cap**
5. **Caps may be restricted due to multiple publications being supplied**
6. **Caps are set by the Reporting Standards Group**

### REQUIREMENTS

3. **You cannot claim copies supplied over and above the cap**
  - a) For Free Pick Up copies only: If demand exceeds the cap at a particular location you can apply to us for approval to increase the cap for that specific distribution point. The application, which will be reviewed and may require re-verification on a given frequency, must include:
    - i) The proposed cap level
    - ii) The distribution point(s) affected
    - iii) Documentary evidence supporting the application
4. **Caps cannot be ‘double-counted’ at a particular location already subject to its own cap**
  - a) *For example if you distribute copies at a distinct betting shop outlet within an hotel then you cannot claim distribution up to the permitted cap for a betting shop and in addition up to the permitted cap for an hotel. However if you distribute at two different points in this environment you can claim up to the quantity of the largest cap at that location.*
5. **Caps may be restricted due to multiple publications being supplied**
  - a) If the distribution of more than one publication supplied under these Reporting Standards results in the cap at a particular location being exceeded (except for the transportation categories\*) then we reserve the right to restrict the quantities claimed for the publications involved. \*including airside, trains, boats, ships, coaches etc.
6. **Caps are set by the Reporting Standards Group**
  - a) You may apply to us or any member of the Reporting Standards Group to table a proposed cap to be considered for inclusion.



## CAPS

### 1. AIRSIDE (INCLUDING AIRLINES): 75% of seating capacity\*

- Total potential penetration will be the average number of seats available on the services to which the newspaper is supplied. This may be calculated with reference to number of short-haul and long-haul flights.  
In relation to airline lounges:
  - Lounges that are designated for a named airline's passengers (*e.g. BA Lounge*) will not have a separate cap. Any copies supplied will count against the cap for the airline based on flight capacity as detailed above
  - For lounges that are not designated to an airline's passengers or are designated for two or more airlines' passengers publishers must apply to ABC for capping arrangements.
- The cap in this category is based upon the average number of journeys per day. *For example: A fleet of 10 aircraft each with 200 seats = 2,000 seats. If the aircraft each makes 2 outbound flights per day this makes a total potential penetration of 4,000 seats. Therefore the cap (and maximum number of copies that can be claimed for that airline per issue) will be 75% x 4,000 = 3,000 copies.*
- The contract with the purchaser must include a requirement for them to advise the total potential penetration (or Estimated Passenger Capacity – 'EPC') and to revise if schedules or capacity changes significantly.
- If the same contract specifies that copies will be supplied at one end of the route for use also on return journeys, the EPC will be calculated on 'out and back' capacity, otherwise only outward capacity from the supply point will be taken into account.

### 2. HOTELS 80% of bedrooms (London), 65% of bedrooms (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 the mandatory ABC audit period for the publication in question (i.e. 1 month or 6 months as appropriate).
- Supplies may exceed this figure for individual issues (but may never exceed 100%), but where the average across the mandatory audit period 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. TRAINS 50% of carriage seats\* (by day by class)

- 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.

### 4. OTHER PUBLICATION INSERT ABC certified net newstrade sale and/or free letterbox delivery figure

- Total potential penetration is the certified total circulation figure.
- May only be claimed if the host publication is distributed no later than the day following the publication's normal distribution date.
- The host publication and inserted publication cannot be different issues or editions of the same publication. *For example: A Saturday Sports Edition cannot be claimed if it is inserted in Monday's issue of the parent publication.*
- Auditable evidence of the circulation must be available.

### 5. VOUCHER REDEMPTION Actual number of voucher redemptions

- Total potential penetration is the total number of redeemed vouchers.
- Either actual Vouchers or third-party evidence of number of vouchers redeemed must be available.

### 6. SPORTS EVENTS 33% of attendance figures

- Total potential penetration is the total attendance at the event
- Third-party evidence supporting the actual attendance figure must be available

### 7. LEISURE CENTRES 25% of seating capacity

- Total potential penetration is the total seating capacity of the centre
- Third-party evidence of seating capacity of venue used must be available

### 8. FOOD/BEVERAGE OUTLETS 80% of seating capacity

- Total potential penetration is the total seating capacity of the outlet
- Third-party evidence of seating capacity of outlet used must be available

### 9. SCHOOLS – UP TO 6TH FORM 15% of number of pupils

- Total potential penetration is the number of pupils at the school up to and including 6th form level
- Third-party evidence of the number of pupils must be available. This must be renewed annually

### 10. UNIVERSITIES/COLLEGES 33% of number of students

- Total potential penetration is the number of students at the establishment

- Third-party evidence of the number of students must be available. This must be renewed annually

**11. FERRIES 33% of number of seats\***

- Total potential penetration is the number of seats on board the boat
- Third-party evidence of the number of seats must be available

**12. CRUISE SHIPS 65% of number of cabins\***

- Total potential penetration is the number of cabins on board the boat
- Third-party evidence of the number of cabins must be available

**13. COACHES 50% of number of seats\***

- Total potential penetration is the number of seats on board the coach
- Third-party evidence of the number of seats and coaches must be available

**14. EVENTS/EXHIBITIONS 33% of attendance**

- Total potential penetration is the actual attendance figures from the event.
- When an exhibition is for more than one day, the attendance needs to be calculated for each day for daily publications and for the week or length of the show (if less than a week) for weekly publications. The principle is that a publication can only be distributed at a show during its shelf life (it would be wrong to count the attendance for a whole 4 day show when only the Monday publication was distributed on the Monday)
- The calculation of the day's attendance can be done in a number of ways:
  - actual daily attendance
  - average of total attendance divided by the number of days the show covers, or
  - average of total attendance pro-rated by previous years actual daily attendance
- Third-party evidence of the actual attendance must be available. This must be based on controlled entry to the event/exhibition and a recognized auditable method of proving measurement e.g. paid or ticket entry. Publishers are advised to contact ABC to discuss the proposed method of measurement in advance of the event, particularly in relation to free events

**15. THEATRES/CINEMAS/BINGO HALLS 15% of number of seats**

- Total potential penetration is the number of seats at the establishment
- Third-party evidence of the number of seats must be available

**16. BUSINESS/OFFICES 33% of number of staff**

- Total potential penetration is the number of staff at the establishment
- Third-party evidence of the number of staff must be available. This must be renewed annually

**17. PRIVATE HOSPITALS 50% of number of beds**

- Total potential penetration is the number of beds at the hospital
- Third-party evidence of the number of beds must be available

**18. PRISONS 15% of number of cells**

- Total potential penetration is the number of cells at the prison
- Third-party evidence of the number of cells must be available

**19. NURSING/RESIDENTIAL HOMES 50% of number of beds**

- Total potential penetration is the number of beds at the establishment
- Third-party evidence of the number of beds must be available

**20. MEALS ON WHEELS 50% of number of meals**

- Total potential penetration is the number of meals supplied
- Third-party evidence of the number of meals must be available. This must be renewed annually

**21. JOB CENTRES 80% of number of seats**

- Total potential penetration is the number of seats at the job centre
- Third-party evidence of the number of seats must be available. This must be renewed annually

**22. CAR HIRE & COMMERCIAL VEHICLE/VAN HIRE 50% of number of cars/vehicles in fleet\***

- Total potential penetration is the number of hire cars/vehicles in the fleet
- Third-party evidence of the number of cars/vehicles must be available. This must be renewed annually

**23. BETTING SHOPS 80% of number of seats**

- Total potential penetration is the number of seats at the shop
- Third-party evidence of the number of seats must be available

**24. DOCTORS/DENTIST/VETERINARY SURGERIES 80% of number of seats**

- Total potential penetration is the number of seats at the surgery
- Third-party evidence of the number of seats must be available

**25. HOLIDAY CARAVANS (STATIC) 65% of number of caravans (1st April to 30th Sept only)**

- Total potential penetration is the number of static caravans on the site
- Third-party evidence of the number of caravans must be available.

**26. DIRECT MAIL-SHOTS 65% of copies delivered**

- Total potential penetration is the number of copies on the mailing/delivery list
- Copies must be delivered individually addressed to a named individual on the day of publication of the issue claimed
- Third-party evidence of delivery must be available, together with a full mailing/delivery list containing names and addresses for each copy claimed

**27. BLOCKS OF FLATS/APARTMENT BLOCKS 75% of number of residences**

- Total potential penetration is the number of separate residences within the block
- Third party evidence of the number of residences must be available

**28. SUPERMARKET OR HYPERMARKET\*\* 250 copies per outlet**

- \*\*Defined as large self service food and household goods stores, likely white goods, with a news offer either within shopping aisles or from kiosks located outside check out areas. Premises will be over 300 square metres and have restricted Sunday opening hours, being the deciding factor, Tesco, Tesco Extra, Asda, Sainsburys, Savacentre, Morrisons, Waitrose etc, fall into this category

**29. PETROL FILLING STATION\*\* 150 copies per outlet**

- \*\*Defined as:
  - Having four or more pump islands/stations (each pump island/station may have a varying number of nozzles)
  - Excluding filling stations at motorway services

**30. MAJOR STORE WITH NEWS\*\* 100 copies per outlet**

- \*\*Defined as multiple stores over three hundred square metres in prime locations. Examples include Superdrug, B & Q etc. and also Department Stores e.g. Marks & Spencer's, all offering a comprehensive range of products across many categories (e.g. cards, stationery, books, etc). Also Major Stores where customers call specifically to purchase news, but which also offers a wide range of other product lines. WHS High Street is a prime example. Other clearly defined categories such as Supermarkets, Hypermarkets and Convenience stores should not be included.

**31. NEWSAGENT\*\* 50 copies per outlet**

- \*\*Defined as an outlet where the principal products are news, confectionary and tobacco

**32. ESTATE AGENT 50 copies per outlet**

**33. 'PUBLIC SERVICE' LOCATION\*\* 50 copies per location**

- \*\*For example Council offices, libraries, 'non-venue/stadium' type sports centres (but excluding private gyms)

**34. BUSES 40 copies per bus**

- Where the number of buses is restricted to the number of buses supplied to regardless of how many journeys they each do

**35. RETAIL OUTLET (NOT OTHERWISE DEFINED) 20 copies per outlet**

**36. MOTORWAY SERVICE STATION 20 copies per outlet**

- A motorway services with a petrol filling station on site is treated as one outlet

\*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).



## Contact us

ABC, Saxon House, 211 High Street, Berkhamsted,  
Hertfordshire, HP4 1AD

☎ +44 (0) 1442 870800

✉ [info@abc.org.uk](mailto:info@abc.org.uk)

[www.abc.org.uk](http://www.abc.org.uk)