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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	The Newspaper Society
Year ended:	31 st December 2012
List No:	1552
Head or Main Office:	St Andrew's House 18-20 St Andrew Street London EC4A 3AY

Has the address changed during the year to which the return relates?

Yes No (Tick as appropriate)

General Secretary:	
Contact name for queries regarding the completion of this return:	Jonathan Taylor
Telephone Number:	020 7632 7400
e-mail:	Jonathan.Taylor@newspapersoc.org.uk

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
30	2	-	-	32

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
President	Geraldine Allinson	Adrian Jeakings	01-07-12
Vice President	Adrian Jeakings		01-07-12
Hon. Treasurer	Adrian Jeakings	Paul Hunter	01-07-12

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
1,950,640	From Members	Subscriptions, levies, etc	1,400,844	
158,200		PERA	114,935	
290,681		Commercial/Marketing	189,015	
145,901	Investment income	Interest and dividends (gross)	61,453	
		Bank interest (gross)		
		Other (specify) /Dividend		
	Other income	Rents received		
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
934,008		Other Revenue	632,327	
76,000		Net Gain related to Pension	128,000	
3,555,430		TOTAL INCOME		2,526,574
	EXPENDITURE			
	Administrative expenses			
1,741,828		Remuneration and expenses of staff	1,264,393	
326,868		Occupancy costs	321,417	
19,088		Printing, Stationery, Post	11,472	
12,830		Telephone	10,980	
106,736		Legal and Professional fees	91,875	
		Miscellaneous (specify)		
4,560		Staff Recruitment	499	
69,962		Information Sources	59,775	
74,137		Website/Computer Costs	47,053	
6,969		Promotion	5,190	
		Impairment		
	Other charges	Bank charges		
1,095		Depreciation	815	
		Sums written off		
282,205		Affiliation fees	266,514	
		Donations		
32,203		Conference and meeting fees	18,311	
326,494		Expenses (1Local & LBA)	108,474	
		Miscellaneous (specify)		
131,189		PERA/Market Research	45,374	
39,178		Sundry, Newspaper Sales etc.	125,105	
(32,874)	Taxation		99,915	
3,142,468		TOTAL EXPENDITURE		2,477,162
		Surplus/Deficit for year		49,412
		Amount of fund at beginning of year		1,794,292
		Loss from FRS 17 Calc		900,128
		Amount of fund at end of year		943,576

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period		-	2,064	2,064
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:			815	815
Total to end of period				
Add Disposals during Period				
BOOK AMOUNT at end of period			1,249	1,249
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET		-	1,249	1,249

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	120,539
	British Municipal and County Securities	2,039,890
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	2,160,429
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified) Cash	65,900
	Works of Art	13,064
	TOTAL QUOTED (as Balance Sheet)	78,964
	*Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES X	NO
If YES name the relevant companies:			
COMPANY NAME Adstream Ltd	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 3892516		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	1,704,794		1,704,794
From Investments	61,453		61,453
Other Income (including increases by revaluation of assets)	760,327		760,327
Total Income	2,526,574		2,526,574
EXPENDITURE (including decreases by revaluation of assets)	2,477,162		2,477,162
Total Expenditure	2,477,162		2,477,162
Loss from FRS 17	900,128		900,128
Funds at beginning of year (including reserves)	1,794,292		1,794,292
Funds at end of year (including reserves)	943,576		943,576
ASSETS			
Fixed Assets			1,249
Investment Assets			2,239,393
Other Assets			754,613
		Total Assets	2,995,255
LIABILITIES		Total Liabilities	2,051,679
NET ASSETS (Total Assets less Total Liabilities)			943,576

NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

Notes to the Financial Statements

For the year ended 31 December 2012

1 Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared in accordance with the society's rules and applicable United Kingdom accounting standards under the historical cost convention.

1.2 Income recognition

Member's subscriptions and marketing revenue are included in the accounts apportioned to the period to which they relate.

1.3 Donations

Income received by way of a donation is included in the income and expenditure account when the society becomes entitled to the resources.

1.4 Sponsorship income

Sponsorship income is recognised over the term of the sponsorship contract.

1.5 Fixed assets

All fixed assets are initially recorded at cost.

1.6 Investments

Investments are stated at cost less provision for any permanent diminution in value.

1.7 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	-	25% straight line on cost
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1.8 Operating leases

Rentals under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

1.9 Pension costs and other post retirement benefits

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the society.

Notes to the Financial Statements

For the year ended 31 December 2012

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are spread over the period until the benefit increases cost. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs/income. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

1.10. Provisions

Amounts are transferred from the income and expenditure account in order to provide for expected costs of refurbishment under leases for the society's office accommodation. Actual expenditure is charged directly to these provision accounts.

1.11. Taxation

The charge for taxation takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

When applicable, full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19. Deferred tax assets would be recognised to the extent that it is regarded as more likely than not that they will be recovered.

2 Income

The income and surplus before tax are attributable to the one principal activity of the society. An analysis of income is given below:

	2012 £	2011 £
Subscription income	1,400,844	1,950,640
Local Business Accelerator donation	-	250,000
Other income	997,730	1,278,790
	<u>2,398,574</u>	<u>3,479,430</u>

3 Other income

Other income comprises:

	2012 £	2011 £
Pera revenue	114,935	158,200
Commercial revenue	227,856	290,681
Investment income, profit on disposal of investments and interest receivable	61,453	145,901
Adstream management charge	80,000	80,000
Local revenue	88,936	66,830
Other revenue	4,550	107,178
NPA service charge	420,000	430,000
	<u>997,730</u>	<u>1,278,790</u>

Notes to the Financial Statements

For the year ended 31 December 2012

4 Interest receivable and similar income

	2012 £	2011 £
Net finance income in respect of defined benefit pension schemes	<u>128,000</u>	<u>76,000</u>

5 Taxation

	2012 £	2011 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on surplus relating to under provision in the prior year	260	15,606
Deferred tax		
Origination and reversal of timing differences	77,407	(48,480)
Effect of increased tax rate on opening liability	18,060	-
Adjustments in respect of prior period	4,188	-
Tax on surplus on ordinary activities	<u>99,915</u>	<u>(32,874)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 lower than) the standard rate of corporation tax in the UK of 20% (2011 - 20.25%). The differences are explained below:

	2012 £	2011 £
Surplus on ordinary activities before tax	<u>149,327</u>	<u>380,088</u>
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 - 20.25%)	29,865	76,968
Effects of:		
Disallowable expenditure	3,662	17,630
Pension tax adjustment	(67,311)	(32,489)
Profit on investments	(2,582)	(19,371)
Capital allowances for period in excess of depreciation	(2,230)	(3,052)
Unrelieved tax losses	50,437	(13,964)
Adjustment to tax charge in respect of previous periods	260	-
Income not taxable	(13,841)	(12,141)
Other timing differences	<u>2,000</u>	<u>2,025</u>
Current tax charge/(credit) for the year (see note above)	<u>260</u>	<u>15,606</u>

Notes to the Financial Statements

For the year ended 31 December 2012

6 Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2012 and 31 December 2012	<u>8,303</u>
Depreciation	
At 1 January 2012	6,239
Charge for the year	815
At 31 December 2012	<u>7,054</u>
Net book value	
At 31 December 2012	<u>1,249</u>
At 31 December 2011	<u>2,064</u>

7 Investments

	Total £
Cost or valuation	
At 1 January 2012	2,200,208
Additions	517,515
Disposals	(412,062)
Movement on amounts held on deposit	(53,203)
At 31 December 2012	<u>2,252,458</u>
Impairment	
At 1 January 2012	8,619
Reversal of impairment losses	(8,619)
At 31 December 2012	<u>-</u>
Net book value	
At 31 December 2012	<u>2,252,458</u>
At 31 December 2011	<u>2,191,589</u>

Listed investments

Investments include £2,160,431 (2011: £2,054,979) in respect of stocks and shares listed on the London Stock Exchange. The market value of these investments at 31 December 2012 was £2,705,523 (2011: £2,409,969). Following a review of the current market values of individual listed investments, where indicators of impairment are present management have reduced the value of these investments to an estimate of their recoverable amount.

Fixed asset investments includes amounts held on deposit with the society's broker of £78,964 (2011: £132,167).

Notes to the Financial Statements

For the year ended 31 December 2012

8 Debtors

	2012 £	2011 £
Trade debtors	268,873	305,994
Other debtors	107,129	121,911
Prepayments and accrued income	269,511	139,305
	<u>645,513</u>	<u>567,210</u>

Trade debtors includes £86,044 (2011: £83,991) due from subsidiary undertaking Adstream Limited.

9 Creditors:

Amounts falling due within one year

	2012 £	2011 £
Bank overdraft	101,195	-
Trade creditors	264,772	212,338
Corporation tax	-	15,606
Social security and other taxes	16,872	55,950
Other creditors	-	82,398
Accruals and deferred income	269,214	209,393
	<u>652,053</u>	<u>575,685</u>

10 Provisions

	Dilapidation provision £
At 1 January 2012	53,333
Provided during the year	10,000
At 31 December 2012	<u>63,333</u>

11 Deferred taxation

The society has unprovided deferred tax assets of £120,836 (2011: £52,633) in respect of depreciation in excess of capital allowances, tax losses carried forward and other short term timing differences.

Notes to the Financial Statements

For the year ended 31 December 2012

12 Pensions and other post retirement benefits

The society operates a funded defined benefit pension scheme for its current and former employees. The assets of the scheme are held separately from those of the society, being invested with an insurance company. The amount charged to the income and expenditure account represents the contributions payable by the society for the year. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected accrued benefit method.

The most recent actuarial valuation carried out at 1 December 2009 showed that the market value of the scheme's assets were £8,363,000 and that the actuarial value of those assets represented 73% of the benefits that had accrued to members after allowing for expected future increase in earnings.

The amounts recognised in the balance sheet are as follows:

	2012 £	2011 £
Present value of funded obligations	(11,223,000)	(10,894,000)
Fair value of scheme assets	9,488,000	9,991,000
Deficit in scheme	(1,735,000)	(903,000)
Related deferred tax asset	398,707	229,928
Net liability	<u>(1,336,293)</u>	<u>(673,072)</u>

The amounts recognised in income and expenditure account are as follows:

	2012 £	2011 £
Current service cost	(125,000)	(153,000)
Interest on obligation	(507,000)	(533,000)
Expected return on scheme assets	635,000	609,000
Losses on curtailments and settlements	-	143,000
Total credit/(charge) to the income and expenditure account	<u>3,000</u>	<u>66,000</u>

Actuarial losses of £1,169,000 (2011: £711,000) have been recognised in the statement of total recognised gains and losses.

Notes to the Financial Statements

For the year ended 31 December 2012

12 Pensions and other post retirement benefits (continued)

The expected return on plan assets is based on the long term expected rate of return of the scheme's insurance policy, which has been assessed at 5.5% (2011: 6.5%). The actual return on the scheme assets over the period ending 31 December 2012 was (£50,000) (2011: £855,000).

Changes in the present value of the defined benefit obligation are as follows:

	2012 £	2011 £
Opening defined benefit obligation	10,894,000	9,947,000
Current service cost	125,000	153,000
Interest cost	507,000	533,000
Contributions by scheme participants	40,000	-
Actuarial losses	484,000	957,000
Gains on curtailments	-	(143,000)
Benefits paid	(827,000)	(553,000)
Closing defined benefit obligation	<u>11,223,000</u>	<u>10,894,000</u>

Changes in the fair value of scheme assets are as follows:

	2012 £	2011 £
Opening fair value of scheme assets	9,991,000	9,595,000
Expected return	635,000	609,000
Actuarial (losses)/gains	(685,000)	246,000
Contributions by employer	334,000	94,000
Contributions by scheme participants	40,000	-
Benefits paid	(827,000)	(553,000)
	<u>9,488,000</u>	<u>9,991,000</u>

The principal actuarial assumptions at the balance sheet date were:

	2012	2011
Discount rate at 31 December	4.5%	4.80%
Expected return on scheme assets at 31 December	5.5%	6.50%
Rate of increase in salaries	2.9%	3.10%
Rate of increase in pension payments	2.9%	3.10%
Rate of increase in deferred pensions	2.0%	2.20%
Inflation	2.9%	3.10%

Notes to the Financial Statements

For the year ended 31 December 2012

12 Pensions and other post retirement benefits (continued)

	2012	2011	2010	2009	2008
	£	£	£	£	£
Defined benefit obligation	(11,223,000)	(10,894,000)	(9,947,000)	(8,319,000)	(8,319,000)
Scheme assets	9,488,000	9,991,000	9,595,000	8,363,000	8,363,000
(Deficit)/surplus	<u>(1,735,000)</u>	<u>(903,000)</u>	<u>(352,000)</u>	<u>44,000</u>	<u>44,000</u>
Experience adjustments on scheme liabilities	(14,000)	220,000	(577,000)	94,000	(188,000)
Experience adjustments on scheme assets	<u>(685,000)</u>	<u>246,000</u>	<u>611,000</u>	<u>(180,000)</u>	<u>(1,800,000)</u>

The post retirement mortality assumptions used to value the benefit obligation at 31 December 2012 are based on the PA92 table with a current year of use. The life expectancy of a male member reaching age 65 in 2032 is projected to be 24.5 years compared to 22.6 years for someone reaching 65 in 2012. The life expectancy of a female member reaching age 65 in 2032 is projected to be 26.9 years compared to 25.1 years for someone reaching 65 in 2012. The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of FRS17 is (£1,866,000).

13 Commitments under operating leases

At 31 December 2012 the society had annual commitments under non cancellable operating leases as follows:

	Land and buildings	
	2012	2011
	£	£
Expiry date:		
Within one year	118,500	-
Between two and five years	-	158,108
	<u>118,500</u>	<u>158,108</u>

14 Related party transactions

During the year the Newspaper Society levied a service charge of £420,000 (2011: £430,000) to the Newspaper Publishers Association ('NPA'), a related party under the common control of Newspaper Society Director David Newell. No amounts were due to the NPA at 31 December 2012 (2011: £nil).

The honorary treasurer, Paul Hunter, is the group finance director of Newsquest, a member of the society. Newsquest pays subscriptions and purchases other services from the Society on the same terms as other members. Newsquest was charged an aggregate of £297,686 for subscription and other services in the year and a balance of £6,739 was outstanding at the year end.

Notes to the Financial Statements

For the year ended 31 December 2012

15 Adstream Limited

The society has a subsidiary company which commenced trading in January 2000. Adstream Limited is registered in England (Company number 3892516) and was formed to run a digital artwork transmission project for the members of the society and the society itself.

The society does not consolidate the accounts of Adstream Limited into these accounts, as the group would qualify as small under the size criteria set within Companies Act 2006. A summary of Adstream's recent performance and state of affairs is set out below.

Profit and loss account:

	2012	2011
	£	£
Turnover	583,172	617,436
Cost of sales	(281,796)	(281,796)
Gross profit	<u>301,376</u>	<u>335,640</u>
Administrative expenses	(379,684)	(310,303)
Interest receivable and similar income	502	656
(Loss)/profit for the financial year	<u>(77,806)</u>	<u>25,993</u>
Tax on profit on ordinary activities	-	(133)
Retained (loss)/profit for the financial year	<u>(77,806)</u>	<u>25,860</u>

Balance sheet:

	2012	2011
	£	£
Fixed assets	498	894
Debtors	<u>154,192</u>	<u>170,700</u>
Cash at bank	252,739	295,353
Current assets	<u>406,931</u>	<u>466,053</u>
Creditors: Amounts falling due within one year	(148,490)	(130,202)
Net current assets	<u>258,441</u>	<u>335,851</u>
Net assets	<u>258,939</u>	<u>336,745</u>
Equity shareholders' funds	<u>258,939</u>	<u>336,745</u>

ACCOUNTING POLICIES

(see notes 37 and 38)

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>David Newell</u> Name: <u>David Newell</u> Date: _____	Treasurer's Chairman's Signature: <u>Paul Hunter</u> (or other official whose position should be stated) Name: <u>Paul Hunter</u> Date: _____
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES		NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES		NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES		NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES		NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES		NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES		NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES/NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES/NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)

YES/NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 85)



Independent auditor's report to the members of The Newspaper Society

We have audited the financial statements of The Newspaper Society ("the Society") for the year ended 31 December 2012 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Members' Funds, the Balance sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Society's members, as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Board and auditor

As explained more fully in the Statement of Responsibilities of the Board set out on page 3, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frs.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion, the financial statements give a true and fair view of the state of the Society's affairs as at 31 December 2012 and of its surplus for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice.

A handwritten signature in blue ink that reads "Grant Thornton UK LLP".

Grant Thornton UK LLP
Statutory Auditors
London

17 May 2013

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

AUDITOR'S REPORT (continued)

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Signature(s):

GRANT THORNTON LLP

Name(s):

GRANT THORNTON LLP

Qualifications:

CHARTERED ACCOUNTANTS

Address(es):

GRANT THORNTON HOUSE
MELTON STREET
LONDON
NW1 2EP

Date:

7/06/13

Contact name and telephone number:

Wrecher Boden 02077292453

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.