Dear Sirs,

In regard to Exposure Draft ED/211/6 Revenue from Contracts with Customers (Paragraphs 18-22) I find it contrary to the conservatism theory to allocate current revenue with future obligations – after the modification of the contract and setting new prices from 100 to 95. The actual price (95) should be booked without regard to the future obligations of the remaining 60 units. Allocating 98.33 Price Unit (PU) instead of actual 95 PU for the 30 units inflates revenue.

The fact that a contract is modified obliges us to be careful and use conservatism in estimating future revenue.

Thank you very much,

Mohamad Dakhil, CPA