

Holyoake House Hanover Street Manchester M60 0AS

12 June 2009

Dear Sir

## **Preliminary Views on Revenue Recognition in Contracts with Customers**

The Co-operative Performance Committee (CPC) of Co-operatives<sup>UK</sup> wishes to support the principles of the IASB discussion paper on its preliminary views on revenue recognition in contracts with customers.

CPC is a standing committee of Co-operatives<sup>UK</sup>, which brings together professionals from within the co-operative movement to take responsibility for the movement's performance indicators and for promoting best practice on accounting standards.

Co-operatives<sup>UK</sup> is a co-operative owned and democratically controlled by its members. It was launched in January 2003 following the merger of the Co-operative Union (established in 1869) and the Industrial and Common Ownership Movement (ICOM). Co-operatives<sup>UK</sup> can therefore claim to have been in the business of promoting and representing co-operative enterprise for over 140 years. Co-operatives<sup>UK</sup> membership comprises individual co-operative enterprises ranging in size and diversity from large consumer owned co-operatives to small worker owned co-operatives. The number of co-operative organisations in membership exceeds 540 and has a combined turnover in excess of £13 billion. They employ over 98,000 staff trading through 4,500 retail outlets.

## **Overall**

We believe that the paper is well written with a host of easy to follow examples providing clear and concise views in the development of the revenue recognition model. Co-operatives, particularly in the retail sector, will encounter little, if any, change resulting from the views laid out by the Board with the main differences involving post delivery services such as warranties, maintenance contracts etc.

Our response therefore has not dealt individually with the questions raised in the paper, as primarily we do not have concerns that we wish to highlight. We believe that the paper is written broad enough to cover both the IASB and FASB standards yet is simple enough to provide clear guidance which is likely to be unburdened by industry standards whilst still being comprehensive enough to apply equally to guide complex treatments.

Overall, the CPC supports the single revenue recognition principle proposed by the IASB.

Yours sincerely

	Comment Letter No. 77
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Secretary – Co-operatives Performance Committee	
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