Dear Sirs

Revised proposal for revenue recognition

Co-operatives UK, through its Co-operative Performance Committee (CPC), commented on the initial exposure draft in October 2010. It is disappointing to see that, despite our initial concerns with respect to paragraphs 37 and 48 of the exposure draft and the implications they would have for the treatment of co-operative distributions and the dividend paid to members, there have been no changes to the revised proposals to address those issues.

Whilst it would seem pointless to reiterate our original objections to the paper, the CPC wishes to express its disappointment that the co-operative sector ‘voice’ has been overlooked and that existing standards remain predominantly written around the corporate investor model of PLCs. The UK co-operative and mutual sector has worked hard to engage with standards setters and with the exception of the UK ASB, there has been little support or understanding of the sector.

Co-operatives and Mutuals are a thriving and important part of the UK and global economy. The importance to the world economy should not be understated, a fact that has been recognised by the United Nations who have adopted 2012 as ‘the International Year of Co-operatives’. Co-operative businesses across the world represent over a billion members and have a turnover of $1.1 trillion, securing the livelihood of three billion people – almost half the world’s population. They employ over 100 million people, 20% more than multinational enterprises, with over 75% of all ‘Fairtrade’ goods being produced by co-operatives. It is clear to see that our businesses are based on members’ interests rather than those of speculators. It is with this in mind that we intend to explore the possibility of developing proposals for the sector at a global level that are fit for purpose, rather than purely for the corporate sector.

Yours faithfully

Phil Holmes

Secretary – Co-operative Performance Committee