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ISSUES OF APPLICATION OF IFRS-15 IN CONSTRUCTION ORGANIZATIONS

Khalilov Sherzod Akhmatovich,
PhD, Associate Professor, Tashkent Institute of Finance
Tashkent, Uzbekistan, Email:halilov86@gmail.com
ORCID: 0000-0002-6230-5278

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Abstract. *This article focuses on the role of construction organizations in the era of globalization and the importance of organizing and maintaining accounting, taking into account the basic features of this field. In the Statement of "Profit and Loss" prepared on the basis of IAS-1 the recognized expenses are classified according to their nature and functions within the business entity, and the possibilities of analyzing the operational expenses has been studied. Based on the study of the requirements of IAS-1 a structure of operating expenses was developed based on the classification of expenses of business entities, including construction organizations, according to their nature and functions. The statement form on "Profits and losses" was developed for construction organizations, taking into account the basic characteristics of the construction industry based on requirement IAS-1. It is researched that the criteria of the first stage of the revenue recognition model of I IFRS-15 provide an appropriate basis for the assessment of rights and obligations in contracts for a construction organization. A five-stage model of revenue recognition of contracts with customer has been studied* based on the requirements of the standard IFRS-15.

Keywords: *revenue, profit, loss, statement, international standards*

Introduction. The modern economy is based on international agreements and the free circulation of international capital. Currently, more than a third of all financial transactions are carried out abroad, and this number is expected to grow. A special place is occupied by the construction industry as one of the largest sectors of the world economy. It is known that the development of the construction industry contributes to the rapid development of various sectors of the national economy. In the era of globalization, investors are looking for opportunities to enter world markets, as well as to attract foreign investment and conduct business internationally. In this process, the organization of accounting and reporting systems in the country on the basis of international financial reporting standards will serve to increase international comparability and quality of financial information, ensure transparency, provide investors and other market participants with sound management decisions.

The current accounting procedure in construction companies operating on the territory of the Republic of Uzbekistan has a number of shortcomings. In the existing regulatory documents, the fundamental features of the construction industry create difficulties in organizing production activities. Therefore, with the correct organization of operational accounting in construction organizations, it is especially important to identify key indicators that reflect accounting processes and data sources covering their main tasks. These problems represent an in-depth study of theoretical and practical problems aimed at improving the accounting and analysis of operating activities in construction companies in the context of economic liberalization. It is known that one of the largest sectors of the economy is construction. Construction, as a branch of the economy, ensures an expanded reproduction of production capacities and fixed assets of the entire national economy. The result of the construction are buildings and structures of various functional purposes. According to the International Standards Industrial Classification of All Economic Activities, Rev.4, all economic activities can be classified as construction activities(Fig.1):

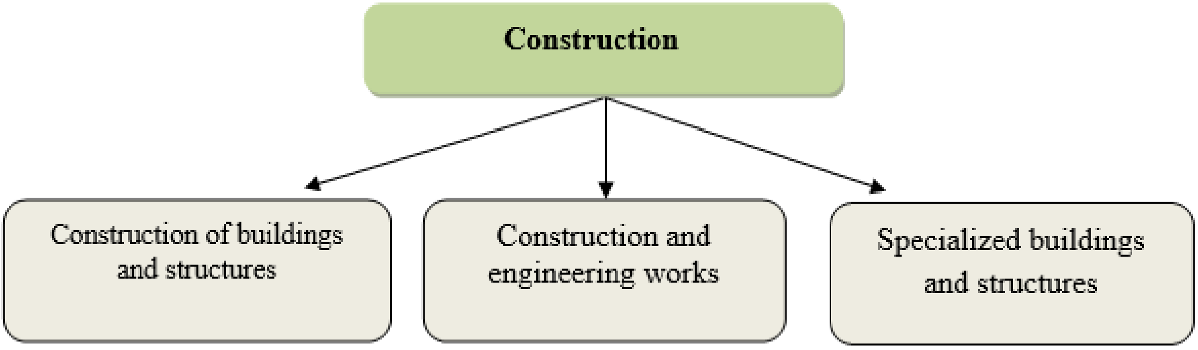

Figure 1. Classification of construction activities

Despite the fact that the Covid-19 coronavirus pandemic threatens the economic development of countries at the global level, our country guarantees the sustainable development of all sectors of the national economy, which also affects the well-being of the population. In particular, a stable growth rate was achieved for the construction works carried out throughout the country (Table 1).

The experience of developed countries shows that the economic activity of business entities is divided into production and non-sales. Operating activities are a key component of the operations of an economic entity, and most of the enterprise's employees and all generated assets are aimed at supporting these activities.

Table 1

The cost of construction work performed in the Republic of Uzbekistan (in million sums)[1]

	2016	2017	2018	2019	2020	2021
The Republic of Uzbekistan:	29413,9	34698,0	51129,3	71156,5	88130,3	107492,7
Republic of Karakalpakstan	1171,8	1398,8	2182,7	3315,4	3785,9	4480,6
Andijan region	1578,0	1782,9	2819,5	3539,1	4474,4	5657,8
Bukhara region	2202,9	2543,7	3581,2	4368,1	5387,2	7401,1
Jizzakh region	906,1	996,1	1564,3	2510,6	2766,5	3085,4
Kashkadarya region	2560,0	2759,1	3701,1	4365,3	4928,2	6336,6

[1] Developed by the author as a result of research

Navoi region	1153,1	1313,6	2280,8	3464,0	4392,9	5155,5
Namangan region	1289,9	1475,2	2257,6	3471,0	4491,8	5556,7
Samarkand region	2194,9	2342,4	3299,0	4527,2	5665,9	7385,7
Surkhandarya region	1554,8	1827,0	2879,7	3979,7	4690,6	5868,4
Syrdarya region	540,7	552,4	1001,1	1926,2	2192,1	2708,8
Tashkent region	1646,3	1825,4	3006,1	5594,1	6930,6	9401,2
Fergana region	1840,0	1969,5	2942,7	4162,8	5089,6	6993,7
Khorezm region	1220,9	1375,8	1878,3	2496,8	3032,0	4228,5
Tashkent	4633,4	6197,9	10870,7	16256,9	18758,9	26535,3

Material and method. Doctrinal research is used to assess requirements of IFRS which is developed by IASB. Doctrinal research focuses on the rules and principles that govern a specific discipline. Hutchinson and Duncan describe doctoral research as "a synthesis of various rules, principles, norms, interpretive guidelines, and values." They adumbrate that doctrinal research is a method at the core of practice, which in this case is requirements of IFRS 15, as developed by the IASB [1]. It is known that a doctrinal research is normally applied within the legal discipline. As Gaffikin notes, professional bodies and independent organizations attempted to create a theoretical basis for accounting practices founded on generally accepted accounting principles [2]. However, as the principles of the standards were not tested as theory through a scientific process, they cannot be regarded as theory for traditional research purposes. A traditional research method would therefore not always be appropriate.

On February 24, 2020, the Resolution of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev No. PP-4611 "On additional measures for the transition to International Financial Reporting Standards (IFRS)" was adopted. In accordance with this resolution, joint-stock companies, commercial banks, insurance companies and legal entities included in the category of large taxpayers are required, starting from January 1, 2021, to organize accounting in accordance with IFRS and prepare and draw up financial statements based on international financial reporting standards starting from end of 2021 [3].

In accordance with article 99 of IAS-1 "Presentation of Financial Statement", entities present recognized costs in profit or loss, depending on the nature or function of the classification method [4].

Table-2

Statement of Profit or Loss[2]

Name of indicators	Code
Sales revenue	1

[2] Developed by the author as a result of research

Other operating revenue	2
Operating profit	3 (1 + 2)
Changes in inventories of finished goods and work in progress	4
Consumption of raw and other materials	5
Employee expenses	6
Depreciation and amortization expenses	7
Other operating expenses	8
Profit from operating activities	**9 (3-4-5-6-7-8)**
Net costs of financing activities	10 (11–12)
Income from financial activities	11
Finance costs	12
Profit before tax	13 (9 + 10)
Income tax expense	14
Benefits for the reporting period	15 (13-14)

Based on the above methodological sequence, in accordance with article 102 of IAS 1 "Presentation of Financial Statements", a profit and loss statement is formed on the nature of expenses (Table 2). The essence of the cost characteristic method is to provide information on the fixed resources spent on economic activity, including the cost of raw materials and materials, wage costs, and the costs associated with the depreciation of fixed assets. In accordance with article 103 of IAS 1 "Presentation of Financial Statements", the profit and loss statement is formed in the following methodological sequence using the cost function method (Table 3).

Table-3

Statement of Profit or Loss[3]

Name of indicators	Code
Sales revenue	1
Cost of sales goods	2
Marginal profit	3 (1-2)
Selling costs	4
Administrative costs	5
Other operating costs	6
Other operating revenue	7
Profit (loss) from operating activities	**8 (3-4-5-6 + 7)**
Net costs of financing activities	9 (10-11)
Income from financial activities	10

[3] Developed by the author as a result of research

Funding costs	11
Profit before tax	12 (8–9)
Income tax expense	13
Profit from continuous operations in the reporting year	14 (12-13)

The income statement is prepared on the basis of paragraphs a and b of article 81, paragraphs a, b, c, d of article 82, articles d, 90, 99 and 106 of IFRS 1 Presentation of Financial Statements [5], Article 77 of IFRS No. 12 "Income Tax" [6], Article 33 paragraphs a of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations [7]. The features of the Profit and Loss Statement prepared in accordance with International Financial Reporting Standards clearly distinguish between operating and non-operating activities separately from each other and make it possible to analyze operating expenses by classifying recognized costs in profit and loss in accordance with their functions in within the framework of the activity of an economic entity.

In accordance with Article 103 of IFRS 1 "Presentation of Financial Statements", we consider it appropriate to formulate the composition of operating expenses recognized in the income statement by function as follows.

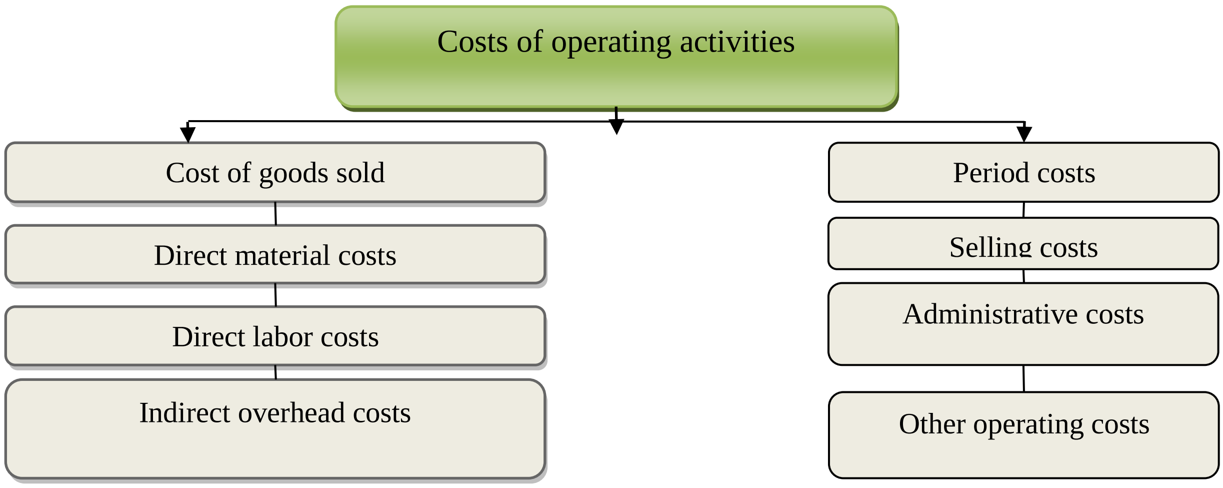

Figure 2. Structure of costs from operating activities

The costs of operating activities in economic entities include the production of products (works and services), connection with their sale and other expenses not included in non-operating activities. Thus, information on operating costs is one of the main tools for determining inventories, managing material, technical, labor and financial resources and increasing profitability. In turn, income from operating activities is the profit received as a result of the operating activities of an economic entity (Fig. 3). Based on the above considerations, we considered it necessary to define operating activities in construction organizations as a set of all processes related to the construction and operation of construction sites, the sale of services and their transfer to customers and not related to financial and investment activities.

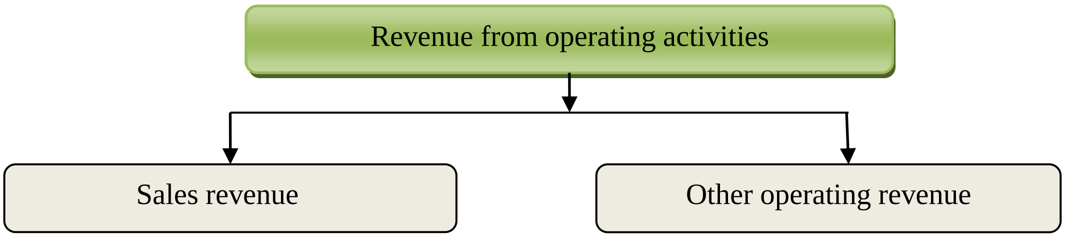

Figure 3. Structure of revenue from operating activities of business entities

As part of the operational activities in construction organizations, the obligations established under the contract with the customer are fulfilled, the construction object is transferred to the customer or construction work is carried out, services are provided. This determines the regularity of the formation of revenue from operating activities in normal working conditions of a construction organization.

Table-4

Statement of Profit or Loss[4]

Name of indicators	Code
Revenue from contract	1
Cost of contract	2
Marginal profit	3 (1-2)
Cost of sales	4
Administrative costs	5
Other operating costs	6
Other operating revenue	7
Profit (loss) from operating activities	**8 (3-4-5-6+7)**
Net costs of financing activities	9 (10-11)
Income from financial activities	10
Finance costs	11
Profit before tax	12 (8-9)
Income tax expense	13
Profit from continuous operations in the reporting year	14 (12-13)

[4] Made by the author

The revenue from contracts concluded with customers in construction organizations by foreign specialists is called the contract cost (Revenue from Contract), the costs associated with the performance of construction work are called the contract cost (Contract cost). Based on the above points of view, taking into account the fundamental characteristics of construction organizations, we consider it appropriate to use the example given in table 4 when compiling the income statement using the cost function method in accordance with article 103 of IAS-1. The main goal of any business entity is to make high profits in a market economy. Achieving this result will depend on a number of economic processes. The main ones are the recognition of income and expenses. Profit is considered as the most important indicator of financial results [8]. T. Sutton considers revenue to be the increase in net resources resulting from its operating activities, less expenses [9]. M. Dobrel argues that revenue is a crucial number in financial statements that can be used for accounting manipulation [10]. D. Henry and A. David argues that revenue is an asset that is created when goods or services are transferred to a customer [11]. Depending on the features of recognition and the business activities of the economic entity, revenue is divided into revenue from operating, investment and financial activities. Operating revenue means the revenue received as a result of the operating activity of the economic entity. In our opinion, operating revenue in construction organizations is measured by the construction object and the sale of work, services and other operating revenue. Revenue from sales in construction organizations is revenue from the transfer of the object to the customer, construction and assembly works, and the provision of construction services. In construction organizations, other operating revenue includes government grants, gains and losses on the disposal of fixed assets, and income on the comparative value (fair value) of business inventories.

In construction organizations revenue from contracts concluded with the customer is recognized based on the criteria of IFRS-15 "Revenues from contracts with customers". Because this standard serves as a basis for the recognition of revenues received under any contracts.

International Accounting Standards Board (IASB) developed IFRS-15 " Revenues from contracts with customers " to improve the methodology of revenue recognition. Starting from January 1, 2018 IFRS-15 began to be used instead of IAS-11 "Construction contracts".

The application of IFRS-15 " Revenues from contracts with customers" in construction organizations defines the principles of providing useful information to users of financial statements about the nature, amount, duration and uncertainty of income and cash flows resulting from contracts with customers.

IFRS-15 " Revenues from contracts with customers" recognizes in construction organizations in the process of transferring a construction object agreed with the customer, performing construction and assembly works and rendering construction services, which construction organizations receive in exchange for this construction object, work and services reflects the expected right to receive revenue. Revenue is recognized using the following 5-steps model in construction organizations:

Step: 1-Identify the contract with a customer;

2-Identify the performance obligations in the contract;

3- Determine the transaction price;

4- Allocate the transaction price to

the performance obligations in the contract; 5- Revenue recognition.

Economic entities provide various works and services to customers under the conditions of the market economy. In particular, it is customary to simultaneously provide several works and services to the client or to the client's related parties in the global construction industry [12].

As a rule, the rights and obligations agreed between the construction organization and the customer should be clearly described in construction contracts. The construction contract usually specifies the details of the project, the construction works and services to be performed within the framework of the project, as well as the procedure for making payments related to the project.

A construction organization's contract with customers is an agreement between two or more parties that creates rights and obligations. Based on the requirements of step 1 (Identify contract with the customer) of the 5-step model of revenue recognition based on Article 9 of the IFRS-15 "Revenues from Contracts with Customers" the contract must meet the following criteria:

- the parties must have approved the contract and defined their obligations;
- the organization must be able to determine the rights and obligations in relation to the transfer of goods, work or services to the buyer;
- the organization must be able to determine the terms of payment for the goods, work or services transferred to the buyer;
- the contract must be economically significant and concluded for commercial purposes; - the organization must acquire the right to receive payment when the goods, work or services are transferred to the customer [13].

The criteria given above allow to determine the rights and obligations in the contract for the construction organization. As noted by T. Randolph and Jr. Ellis, it is easier to identify contracts for the construction industry if the rights and obligations in the contracts are clearly defined [14].

In addition, H. Ndlovu notes that South Africa has a variety of contract forms that help provide standardized and simplified contracts to clarify rights and obligations [15].

The requirements of the first stage of the five-stage revenue recognition model of the IFRS-15 "Revenue from contracts with customers" require combining contracts and recognizing them as a single contract. As noted by Ernst & Young, IFRS 15 Revenue from Contracts with Buyers simplifies contract consolidation by requiring compliance with only one or more of the requirements in accordance with IAS-11 Construction Contracts [16].

IFRS-15 "Revenues from contracts with customers" provides criteria that require combining two or more contracts as a single contract for revenue recognition in the first step of the five-step revenue recognition model (Identify contract with the customer). Such consolidation of contracts is possible if contracts are concluded with the buyer or its related parties at the same time or almost simultaneously, and if at least one of the following criteria is met:

- if the contracts are concluded for one commercial purpose;
- if the payment under one contract depends on the price or performance of another contract;
- if the goods or services agreed in the contract or the goods or services agreed in each of the contracts can be considered as one obligation.

It should be noted that construction is considered as an area where the size and price of the contract changes regularly. As a result of the change in the volume of construction works or the addition of new works and services to the contract based on the request of the customer, the volume and value of the construction contract will change. In global construction practice such changes are called contract modification (change) [17]. IFRS-15

"Revenue from contracts with customers" defines three different approaches to accounting for modification of the contract based on article 21. These approaches provide that additional work and services are considered in a separate contract, as part of the original contract, or as a new contract with the cancellation of the original contract [18].

We recommend using the following criteria to determine which approach is required for contract modification:

- are the additional works and services different from the works and services specified in the original contract?
- does this modification reflect the separate selling price of additional works and services?

IFRS-15 "Revenue from contracts with customers" requires the use of variable pricing in the measurement of contract price when changes in the contract have been agreed as part of the agreement of the parties, but the price resulting from these changes has not yet been agreed.

The second step of the IFRS-15 revenue recognition model "Identification of performance of obligations" requires the construction organization to determine the performance of obligations under the contract with customers. This is an important step in the revenue recognition process, which means that revenue is recognized when obligations are fulfilled. Therefore, failure to correctly determine the fulfillment of obligations, the period of recognition of income may not be in accordance with the requirements of IFRS-15 "Revenue on contracts with customers" and may lead to the recognition of income in a different reporting period.

According to article 27 of the IFRS-15 the construction object (goods) or services agreed with the customer are different if they meet the following criteria:

- the customer is the construction object (goods) or service alone or the customer if it can be used together with other resources that have the right of free use (that is, if the construction object (goods) or service can be distinguished separately);
- if the construction organization's agreement on the delivery of the object (goods) or service to the customer is specified separately from other contractual agreements (that is, the construction object (goods) or service is specified separately in the context of the contract (clause).

According to article 22 of the IFRS-15 the requirement of the second stage of the revenue recognition model determines that entities should first assess whether the construction object (goods) or service in the contract concluded with the customer has the ability to differentiate or not. According to D.Morris, the obligation to perform the construction contract should be viewed as a single performance obligation. The reason for this is that the agreed object (goods) or services in construction contracts are usually mutual or interrelated. Therefore, it does not meet the requirements for a separate (different) construction object (goods) or services [19].

Typically, construction contracts have a macro-level agreement, which is the construction of a specified asset, which can only be used by the customer after completion. As a result, performance obligations in most construction contracts are indistinguishable. When calculating (determining) the price of the agreement (transaction), construction organizations must take into account the terms of the contract and its normal performance. According to article 47, 15 of IFRSW-15 the contract price is the amount that the entity expects to be entitled to receive in exchange for the transfer of the agreed goods or services to the customer.

According to article 48 of this standard, the price of the agreement is determined taking into account the influence of the following factors: - variable payment; - limiting the assessment of variable payment; - important financing components (availability) in the contract; - other non-cash payments; -

payments to the customer. H. Mulder believes that variability and uncertainty are inherent in the construction industry and that the industry is complicated by its interactions with multiple clients and subcontractors [20].

International Accounting Standards Board (International Accounting Standards Board) to determine and evaluate the accounting for variable payments the third step of the revenue recognition model of "Determine the transaction price" (Determine the transaction price) criterion and implies the application of its instructions [21].

Based on article 52 of the IFRS-15 accounting for a variable fee usually stipulates that the contract is clearly specified.

It may be simple to determine the contract price in exchange for a fixed (fixed) quantity of goods or services expected to be received in a short period of time. However, deal pricing becomes more complicated when the deal includes elements such as a variable fee, a significant financing component, non-cash payments, and payments to the buyer IFRS-15 provides specific guidance on these issues and on settlement pricing and other issues. IFRS-15 requires a construction organization to estimate the amount of variable payment accounting due to it under the contract if it takes into account the variable payment.

Common forms of variable payment consideration include price discounts, chargebacks (purchased goods and work, refunds in case of dissatisfaction with services), rebates, credits, incentives, salary bonuses, and royalties. A variable charge is estimated using a best estimate or weighted average approach. In the evaluation, the amount that is closest to the amount expected to be received by the construction organization in return for the transfer of goods and services to the customer is taken into account. If a construction organization receives a non-monetary payment and is unable to estimate its fair value, the construction organization indirectly calculates it against the individual selling price of the goods and services provided in exchange for this payment. If the construction entity's performance obligation and the principal's advances or payments occur in significantly different periods, significant financing components exist. It is worth noting that in some cases, the contracts concluded with the customer specify conditions that lead to the consideration of payments to be paid to the customer. Reimbursement (payment) of such payments by the construction organization, if there is no payment for a separate construction object (goods) or services, these payments lead to a reduction in the contract price.

According to article 73 of the IFRS-15 the purpose of dividing the contract price into performance obligations is to determine the amount that the enterprise expects to receive the right for each specified good and service (performance obligation).

IFRS-15 proposes the following three methods for estimating the individual selling price, but does not require the use of these methods:

- an adapted approach to market valuation;
- price and margin approach;
- residual approach.

K. Trotman says that historically, incomes have been recognized in construction organizations at different times [22]. In fact, two types of revenue recognition methods are commonly used in construction organizations, namely, the first method is the completed contract method, and by using this method, revenue is recognized only when the contractual obligations are fulfilled and ownership is transferred to the customer, and the percentage of completion method, also known as the staged method of completion. The 5-step "Recognition of revenue" guidelines and criteria of the revenue recognition model of the IFRS-15 determine the recognition of revenue over certain periods and at the point time. The general principle of IFRS-15 is that revenue should be recognized simultaneously. If performance obligations meet any of the following criteria in accordance with Article 35 of this standard, then these performance obligations are considered to have been fulfilled for periods and revenue is recognized for periods:

- Does the customer accept and consume the benefits that arise at the same time during the performance of the construction organization's obligations?

- The construction organization creates and activates the asset during the performance of its obligation, does the buyer carry out the intended control over the creation and activation of these assets?

- Does the construction organization's performance obligation create an asset that the organization cannot use for alternative purposes, and does the construction organization have a legally enforceable right to receive payment for part of the contractual work performed to date?

Revenues recognized for periods are used by the organization to transfer (transfer) control over goods, work and services to customers using the Output method and the Input method. The Output method uses a direct assessment of the value of the goods or services delivered to the customer to date. This method includes evaluating the results obtained, the stages of the work performed, the parts of the object completed or transferred, the amount of the services provided (Table-5). In our opinion, revenue under the result method should be estimated using the following formula:

$$D_n=(B_m/B_u)\times 100\%\times T_b \qquad (1)$$

where, D_n is the assessment of income according to the result method;

B_m - construction works completed until the current period;

B_u-this is total construction works;

T_b - contract price.

The resource method (Input method) is based on the labor and material costs used to fulfill the obligations of the construction organization. The resource method refers to the assessment of income based on the resources consumed in the performance of obligations, the time spent on work, the time spent on equipment and other factors (Table-6). In our opinion, revenue according to the resource method should be estimated using the following formula:

$$D_n=(H_m/H_s)\times T_b–D_o \qquad (2)$$

where, D_n is the assessment of income according to the resource method;

H_m - expenses incurred until the current period;

H_s - total costs in the estimate;

T_b - contract price;

D_o - revenues recognized in the past period.

If the performance obligations are not fulfilled by periods, the construction organization should be considered to have fulfilled the performance obligations at the same time based on Article 32 of the IFRS-15. In accordance with Article 38 of this standard, the simultaneous fulfillment of obligations for the recognition of income determines when the construction organization will fully fulfill the obligations, that is, the date when the customer acquires the right to control the agreed object (goods) or services.

Control is directing the use of an asset, benefiting from it, or limiting the use of these benefits by another entity. Control can be divided into the following components in accordance with Article 33 of IFRS-15:

- real right;

- use of an asset or transfer of an asset (this includes restricting the use of an asset by another entity);

- obtaining (getting) all benefits of the asset. According to paragraph B121 of the commentary given for IFRS15 the evaluation of when control is transferred to the customer should be done according to the customer's point of view.

Article 38 of this standard provides the following additional indicators when transferring the right of control to the customer:

- the right to provide payment for the asset;

- transfer of legal rights to the customer;

- transfer of ownership of material property.

Discussion. The right to provide payment for the asset is an indicator of the transfer of control of the construction object (asset) to the customer at the point when the construction organization has the right to receive payment as a result of the performance of obligations. Transfer of legal title to the customer is an indication that control of the asset has been transferred to the customer when the construction organization transfers legal title under the contract.

- repurchase agreements (call option and put option) provided for in clauses B64-B76 of the IFRS-15;

- agreements on the delivery of goods (dealers or distributors) listed in paragraphs B64-B76 of IFRS-15;

- invoice and retention agreements (a type of agreement that allows for payment before the goods are transferred) specified in paragraphs B79-B82 of IFRS-15.

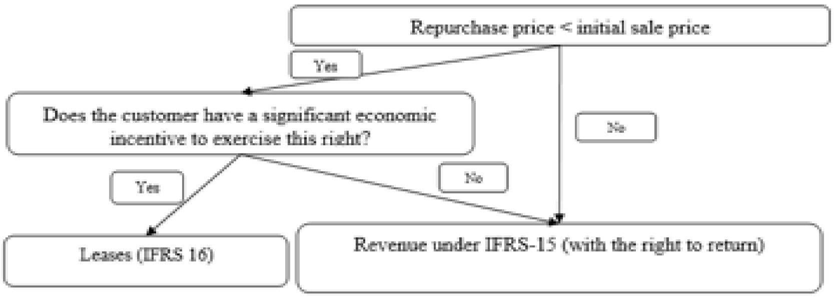

Figure-5. The obligation to repurchase the asset at the request of the customer under the Put option[5]

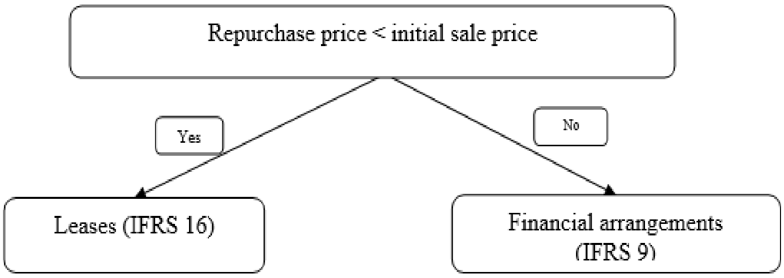

Figure-6. An obligation or right to purchase an asset under a call option[6]

[5] Author's development in accordance with the IFRS-15
[6] Author's development in accordance with the IFRS-15

We believe that it is necessary to summarize the requirements for repurchase agreements in the order presented in the Figure-5.

Conclusion. Features of the statement of "Profit and Loss" prepared on the basis of IAS-1 clearly distinguish operating and non-operating activity items from each other, classify expenses recognized in profit and loss according to their nature and functions within the scope of the business entity, implementation of the activities of business entities provides an opportunity to obtain information about the costs associated with fixed resources spent on. Based on the requirements of IAS-1 taking into account the basic features of the construction industry, the use of the "Profit and Loss" report form, developed for construction organizations, will increase the possibility of obtaining transparent information on the income received and the expenses incurred under the contracts concluded with the customers. On the basis of the criteria of the fifth stage of revenue recognition of the IFRS-15, in the recognition of revenue in construction organizations, the issues of recognition of revenue by periods or by a the point time method are clarified based on the determination of the recognition of revenue by periods or at the point time. Based on the criteria of the fifth stage of revenue recognition of the IFRS-15, it makes it possible to assess the level of readiness of the asset as a result of using the result method in the recognition of revenue by periods in construction organizations. In construction organizations, when revenue is recognized over periods using the resource method, it is possible to estimate the level of consumption of resources used to create an asset transferred (or expected to be transferred) to the customer. It can be concluded that the fifth step "Revenue recognition" of the revenue recognition model of the IFRS-15 determines whether the income on construction contracts should be recognized periodically or at the same time based on the control concept. In our opinion, it is reasonable to assume that the customer should control or manage the construction site during the construction process in the recognition of revenue over periods. Revenue is recognized when the construction organization transfers control of the facility to the customer. In our opinion, the recognition of revenue by construction organizations in accordance with the criteria of IFRS-15 provides sufficient information to enable users to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

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