
Contractor Finance Leadership: Revenue Recognition, Job Costing and Cash Course

14 – 18 June 2027
Barcelona





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Programme Summary

Contractor finance leadership is a one-week training course for senior finance, commercial and general management leaders of contracting companies at advanced level, culminating in a contract portfolio margin and cash review for their own business. Contractors can report profits while cash drains away, because revenue rests on estimates of cost to complete. The approach links revenue, job costing and cash into one control cycle. Mars Training Centre UK delivers this programme in contractor finance and contract accounting.

The Business Case

In contracting, margin rests on monthly judgements: how far each contract has progressed, what it will cost to finish and which variations are recoverable. Optimistic forecasts surface late as margin fade, write-downs and strained banking lines. Leaders who test these judgements protect reported results and the cash that funds the order book.

- **Margin Reliability:** Improves as cost-to-complete forecasts are challenged before results are reported.
- **Cash Conversion:** Strengthens as billing, retentions and payment terms track the work performed.
- **Funding Capacity:** Holds as lenders and bond providers trust the balance sheet and contract schedule.

Principles and Evidence Base

- **IFRS 15 Revenue from Contracts with Customers:** The five-step model and over-time recognition frame contract revenue in Session 1.
- **Input Method of Measuring Progress:** Costs incurred against total expected costs drive the progress reviews in Session 2.
- **IAS 37 Onerous Contracts:** The unavoidable-loss test shapes how loss-making contracts are provided for in Session 3.
- **IFRS 9 Expected Credit Loss:** Impairment of contract assets and retentions informs Session 4.

Intended Participants

- Leaders who sign off monthly contract results and forecast margins.
- Executives who approve bids, payment terms and positions on variations.
- Managers who negotiate banking facilities, bonds and guarantees.
- Heads of finance who own job cost systems and contract reporting.



The programme serves building, civil infrastructure, oil and gas EPC and specialist subcontracting organisations.

Learning Outcomes

1. Participants will be able to apply contract revenue recognition under IFRS 15, including variations and claims.
2. Participants will be able to evaluate the cost-to-complete behind each contract's percentage of completion and reported margin.
3. Participants will be able to diagnose margin fade and onerous contracts from the contract schedule and job cost ledger.
4. Participants will be able to construct a contract cash forecast covering billing, retentions and advances.
5. Participants will be able to justify an overhead absorption policy that recovers indirect costs.
6. Participants will be able to prioritise actions that strengthen the balance sheet presented to lenders.

Programme Structure

Day 1: Contractor Finance and Contract Revenue Principles

How does a contractor decide when and how much revenue to recognise?

- Contractor Business Model and Order Book Risk
- IFRS 15 Five-Step Model Applied to Construction Contracts
- Over-Time Recognition and the Control Criteria
- Combining and Separating Contracts and Performance Obligations
- Variations, Claims and Variable Consideration

Day 2: Job Costing and Measuring Progress

Are the cost records and progress measures behind reported revenue reliable?

- Job Cost Ledger Design and Cost Codes per Project
- Input Method: Cost Incurred Against Total Expected Cost
- Costs to Fulfil a Contract and Uninstalled Materials
- Over-Billing, Under-Billing and Contract Assets
- Monthly Contract Schedule and Work-in-Progress Review

Day 3: Cost-to-Complete and Margin Forecasting

How are forecast margins challenged before they fade?



- Cost-to-Complete Reviews with Project Teams
- Margin Fade Patterns and Early Warning Indicators
- Onerous Contract Test and Loss Provisions under IAS 37
- Overhead Absorption, Preliminaries and Indirect Cost Recovery
- Tender Margin Against Delivered Margin Analysis

Day 4: Contract Cash, Working Capital and Security

How does a profitable contract portfolio still run short of cash?

- Contract Cash Curves, Billing Cycles and Interim Valuations
- Retentions, Advance Payments and Their Recovery
- Performance Bonds, Guarantees and Facility Headroom
- Expected Credit Loss on Contract Assets and Retentions under IFRS 9
- Thirteen-Week Cash Forecast for a Contracting Business

Day 5: Applying Contractor Finance to the Order Book

Can the contract portfolio be presented with confidence to the board and lenders?

- Contractor Balance Sheet Ratios and Lender Covenant Testing
- Bid Approval Gates with Cash and Margin Criteria
- Board Reporting of Contract Judgements and Estimates
- Portfolio Stress Test Using Earlier Forecasts and Cash Curves
- Contract Portfolio Margin and Cash Review Completion

Methodology

The programme uses a data workshop built on a simulated contract portfolio with cost ledgers, valuations and cash records from building and energy projects. Each session moves from a short technical briefing to analysis of the portfolio and peer challenge of the judgements made.

- Suggested activity: Recalculating the revenue and margin of three contracts after a revised cost-to-complete.
- Suggested activity: Reconciling a work-in-progress schedule to the job cost ledger.
- Suggested activity: Building a cash forecast that shows the effect of retentions and delayed valuations.

Capstone Output

Each participant produces a contract portfolio margin and cash review for their organisation. It contains a contract schedule with challenged cost-to-complete figures, flagged fading contracts, a thirteen-week cash forecast, facility headroom and prioritised actions for the board and lenders.



Frequently Asked Questions

Is contractor finance leadership training suitable for leaders without an accounting background?

Yes, if you hold commercial or general management responsibility in a contracting business. It assumes familiarity with valuations and monthly results; technical accounting points start from first principles.

Which standards does contractor finance and revenue recognition training rest on?

It rests on IFRS 15 Revenue from Contracts with Customers and its input method of measuring progress, IAS 37 for onerous contracts and IFRS 9 expected credit loss for contract assets and retentions.

How is the contractor finance portfolio review used at work?

You can table it at your monthly contract meeting or board to challenge forecasts, agree cash actions and prepare for discussions with banks and bond providers.

How does contractor finance training differ from general project cost control courses?

It views contracts through the contractor's financial statements, covering revenue, job costing, cash and bonding, rather than controlling the cost of a single project.