



6-MONTH REPORT

September 30, 2019

Report to Shareholders

Bermuda Aviation Services Limited (the Company) and its subsidiaries (the Group) reported net income from continuing operations of \$0.6 million for the six months ended September 30, 2019 compared to \$0.2 million over the comparative period; an improvement of \$0.4 million.

The loss from discontinued operations for the current period of \$0.6 million is attributable to the sale of CCS Group Sucursal EM Portugal (CCS Portugal) in September 2019, and the loss from discontinued operations for the comparative period of \$0.4 million is attributable to CCS Portugal (\$0.2 million) and to the sale of Efficient Technologies Bermuda Ltd. (\$0.2 million) which was completed in June 2018.

Loss attributable to shareholders of the Company was \$0.1 million for the six months ended September 30, 2019 in comparison to a loss of \$0.3 million for the comparative period. Total comprehensive loss was \$0.03 million (\$26k) for the current period compared to a comprehensive loss in the prior period of \$0.2 million.

Revenues were \$15.0 million for the period, a \$0.7 million increase versus the comparative period. Total cost of revenue was \$6.8 million, an increase of \$1.0 million; resulting in gross margin of \$8.2 million compared to \$8.5 million in the comparative period.

Total operating expenses were \$7.9 million for the period, a decrease of \$0.2 million compared to the comparative period. Finance income of \$0.4 million for the period relates to a non-recurring payment received by the Group to reimburse its over contribution to a benefits plan.

The Company reduced its bank loan by \$0.4 million and paid interest of \$0.2 million in the first six months of the fiscal year.

Earnings per share from continuing operations was \$0.10 per share, an improvement of \$0.07 per share over the comparative period. The Company did not declare or pay dividends during the period ended September 30, 2019, as the Board of Directors considered it prudent to continue to temporarily suspend dividend payments while the Company strengthens the financial position of the Group.

In light of the global Covid-19 pandemic, the Company is continuing to monitor operations and remain change-agile as the needs of customers are evolving. The Board of Directors and Management would like to thank all of the Company's employees for all their hard work and dedication during these unprecedented times.



David W. Pugh, FCA
CHAIRMAN



Navdeep Dhesi, CPA, CMA
VICE PRESIDENT FINANCE

April 30, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited) AS AT SEPTEMBER 30, 2019
(Expressed in thousands of Bermuda Dollars)

	UNAUDITED SEPTEMBER 30 2019	AUDITED MARCH 31 2019
CURRENT ASSETS		
Cash and cash equivalents	3,444	4,566
Accounts receivable	6,593	5,652
Prepaid expenses	1,421	413
Inventories	999	995
	12,457	11,626
NON-CURRENT ASSETS		
Property, plant and equipment	8,896	9,397
Goodwill	11,279	11,279
	20,175	20,676
TOTAL ASSETS	32,632	32,302
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,970	2,906
Deferred revenue	4,448	2,679
Bank loan	834	803
	7,252	6,388
NON-CURRENT LIABILITIES		
Bank loan	4,203	4,628
TOTAL LIABILITIES	11,455	11,016
EQUITY		
ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
Share capital	4,922	4,922
Share premium	12,371	12,371
Retained earnings	3,472	3,592
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	20,765	20,885
Attributable to non-controlling interests	412	401
TOTAL EQUITY	21,177	21,286
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	32,632	32,302

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 and 2018
(Expressed in thousands of Bermuda Dollars except earnings per share data)

	UNAUDITED SEPTEMBER 30 2019	UNAUDITED SEPTEMBER 30 2018
CONTINUING OPERATIONS		
Total revenue	15,027	14,368
Total cost of revenue	(6,823)	(5,821)
GROSS PROFIT	8,204	8,547
OPERATING EXPENSES		
Wages and benefits	(6,061)	(6,337)
Other direct expenses and overheads	(1,422)	(1,313)
Depreciation	(410)	(441)
TOTAL OPERATING EXPENSES	(7,893)	(8,091)
OTHER INCOME AND EXPENSES		
Other income	106	89
Finance costs	(202)	(260)
Finance income	400	-
Impairment loss on trade receivables	(21)	(68)
TOTAL OTHER INCOME AND EXPENSES	283	(239)
TOTAL INCOME FROM CONTINUING OPERATIONS	594	217
Loss from discontinued operations	(620)	(422)
TOTAL COMPREHENSIVE LOSS	(26)	(205)
INCOME (LOSS) ATTRIBUTABLE TO:		
Shareholders of the Company	(120)	(278)
Non-controlling interests	94	73
LOSS FOR THE PERIOD	(26)	(205)
EARNINGS (LOSS) PER SHARE		
Basic and diluted from loss for the period	(0.02)	(0.06)
Basic and diluted from discontinued operations	(0.12)	(0.09)
Basic and diluted from continuing operations	0.10	0.03

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Expressed in thousands of Bermuda Dollars)

	ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				NON- CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL		
APRIL 1, 2018	4,922	12,371	3,397	20,690	516	21,206
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY						
Dividends to non-controlling interests	-	-	-	-	(66)	(66)
	4,922	12,371	3,397	20,690	450	21,140
TOTAL COMPREHENSIVE INCOME						
(Loss) income for the period	-	-	(278)	(278)	73	(205)
SEPTEMBER 30, 2018	4,922	12,371	3,119	20,412	523	20,935
APRIL 1, 2019	4,922	12,371	3,592	20,885	401	21,286
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY						
Dividends to non-controlling interests	-	-	-	-	(83)	(83)
	4,922	12,371	3,592	20,885	318	21,203
TOTAL COMPREHENSIVE INCOME						
(Loss) income for the period	-	-	(120)	(120)	94	(26)
SEPTEMBER 30, 2019	4,922	12,371	3,472	20,765	412	21,177

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019 AND 2018
(Expressed in thousands of Bermuda Dollars)

	UNAUDITED SEPTEMBER 30 2019	UNAUDITED SEPTEMBER 30 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(26)	(205)
ADJUSTMENTS:		
Depreciation	502	459
Finance costs	202	260
Impairment loss on trade receivables	21	68
CHANGES IN NON-CASH WORKING CAPITAL:		
Accounts receivable	(962)	(620)
Prepaid expenses	(1,008)	54
Inventories	(4)	(11)
Accounts payable and accrued liabilities	(936)	(592)
Deferred revenue	1,769	(108)
NET CASH USED IN OPERATING ACTIVITIES	(442)	(695)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment, net	(1)	(40)
NET CASH USED IN INVESTING ACTIVITIES	(1)	(40)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(83)	(66)
Repayment of bank loan	(394)	(383)
Finance costs	(202)	(260)
NET CASH USED IN FINANCING ACTIVITIES	(679)	(709)
CASH AND CASH EQUIVALENTS		
Decrease during the period	(1,122)	(1,444)
Beginning of the period	4,566	4,118
END OF THE PERIOD	3,444	2,674

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019
(Expressed in thousands of Bermuda Dollars)

1. Significant accounting policies

The interim consolidated financial statements of Bermuda Aviation Services Limited ("BAS" or the "Company") for the six months ended September 30, 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting, and follow the same accounting policies as per the March 31, 2019 annual financial statements. The interim consolidated financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the March 31, 2019 annual financial statements.

2. Segment reporting

BAS and its subsidiaries (the "Group") have four reportable segments as shown below. The Group's management has identified the operating segments based on the goods and services they provide. The operations of Efficient Technologies Bermuda Ltd. ("Eff-Tech") have been reclassified from facilities management and presented as discontinued operations for the period ended September 30, 2018 and the operations of CCS Group Sucursal EM Portugal ("CCS Portugal") have been reclassified from infrastructure development and presented as discontinued operations for the period ended September 30, 2019 and 2018 (note 3).

The following describes the composition of each of the Group's four reportable segments:

- i. Administrative services includes mainly the assets and services related to the Group's corporate headquarters.
- ii. Automotive garages includes the distribution of automotive parts and services.
- iii. Facilities management includes elevator maintenance and installation, property management, and maintenance.
- iv. Infrastructure development includes application development, enterprise networking, infrastructure, IT consulting services, server storage and virtualisation, security, unified communications and collaboration and electrical services and solutions.

	ADMINISTRATIVE SERVICES	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT	INFRASTRUCTURE DEVELOPMENT	TOTAL
CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2019					
Revenue from external customers	22	1,397	4,963	8,645	15,027
Inter-segment revenue	1,718	11	594	31	2,354
Depreciation	227	17	20	146	410
(Loss) income	(1,700)	406	1,186	398	290
Total capital expenditure	-	-	-	1	1
CONTINUING OPERATIONS AS AT SEPTEMBER 30, 2019					
Total operating assets	8,714	871	5,138	6,630	21,353
Total operating liabilities	415	60	2,101	3,842	6,418
CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2018					
Revenue from external customers	23	1,411	3,247	9,687	14,368
Inter-segment revenue	1,751	10	71	57	1,889
Depreciation	244	16	26	155	441
(Loss) income	(1,837)	399	998	828	388
Total capital expenditure	9	-	20	11	40
CONTINUING OPERATIONS AS AT MARCH 31, 2019					
Total operating assets	8,746	886	3,724	7,667	21,023
Total operating liabilities	639	91	1,273	3,582	5,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019
(Expressed in thousands of Bermuda Dollars)

2. Segment reporting (continued)

SEGMENTS RECONCILIATION	UNAUDITED SEPTEMBER 30 2019	UNAUDITED SEPTEMBER 30 2018
INCOME (LOSS)		
Total income from continuing operations for reportable segments	290	388
Other income	106	89
Finance costs	(202)	(260)
Finance income	400	-
Loss from discontinued operations	(620)	(422)
TOTAL GROUP COMPREHENSIVE LOSS	(26)	(205)
SEGMENTS RECONCILIATION		
	UNAUDITED SEPTEMBER 30 2019	AUDITED MARCH 31 2019
TOTAL ASSETS		
Total assets for reportable segments	21,353	21,023
Goodwill	11,279	11,279
TOTAL GROUP ASSETS	32,632	32,302
TOTAL LIABILITIES		
Total liabilities for reportable segments	6,418	5,585
Bank loan	5,037	5,431
TOTAL GROUP LIABILITIES	11,455	11,016

3. Significant transactions

Following the disposal of Eff-Tech, a wholly owned subsidiary, on June 5, 2018, its operations have been reclassified and presented as discontinued operations for the period ended September 30, 2018.

Following the disposal of CCS Portugal, a wholly owned subsidiary, on September 2, 2019, its operations have been reclassified and presented as discontinued operations for the period ended September 30, 2019 and 2018.

DIRECTORS

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Jeffrey G. Conyers
Dennis Fagundo
E. Michael Leverock

Deputy Chairman

Gail E.M. Miller

Scott Pearman
Leslie J. Rans
Glen Smith

Secretary

Conyers Corporate Services
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OFFICERS AND GENERAL MANAGERS

Navdeep Dhesi, CPA, CMA

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BAS Group of Companies

Jeff Cook

General Manager
Weir Enterprises Ltd.

Lloyd Fray

President
The CCS Group Ltd.

Alison Soares

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