

SIX-MONTH REPORT

SEPTEMBER 30, 2022





## Report to Shareholders

### Financial Results

Bermuda Aviation Services Limited (the Company) and its subsidiaries (the Group) reported net income from continuing operations of \$0.8 million for the six months ended September 30th, 2022, compared to \$0.7 million over the comparative period to September 2021; an increase of \$0.1 million.

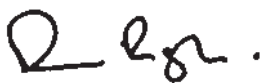
Revenues from continuing operations were \$6.5 million for the period, a \$0.8 million increase versus the comparative period due to additional revenues for projects. Total cost of revenue was \$2.7 million, an increase of \$0.7 million; resulting in gross margin of \$3.8 million compared to \$3.7 million in the comparative period. Margins are continuing to be affected by competition across various business lines and increasing costs of materials and shipping.

Total operating expenses were \$3.1 million for the current period, which was a slight increase to the comparative period. Management continues to find efficiencies at the subsidiary level despite rising costs of operations.

Earnings per share from continuing operations was \$0.16 per share compared to prior period of \$0.14 per share. The Company paid a special dividend of \$0.10 per share on September 30th, 2022, which reflects the strong operating results of the Company.

Over the past few years, the Group has continued to implement several strategies that have positively impacted the financial performance of the Company. Management continues to work closely with our clients to provide innovative and cost-effective solutions.

The leadership team is fully committed to delivering the best financial performance possible with the goal of creating and increasing shareholder value. We would like to thank our employees for the ongoing hard work and dedication to both our clients and the Company.



**David W. Pugh, FCA**  
CHAIRMAN



**Navdeep Dhesi, CPA, CMA**  
CHIEF EXECUTIVE OFFICER

November 17, 2022

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited) AS AT SEPTEMBER 30, 2022  
(Expressed in thousands of Bermuda Dollars)

	UNAUDITED SEPTEMBER 30 2022	AUDITED MARCH 31 2022
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6,154	7,618
Accounts receivable	3,610	1,150
Prepaid expenses	165	193
Inventories	606	574
	10,535	9,535
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6,597	6,782
Goodwill	5,289	5,289
	11,886	12,071
<b>TOTAL ASSETS</b>	<b>22,421</b>	<b>21,606</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	906	1,249
Deferred revenue	2,240	1,328
	3,146	2,577
<b>TOTAL LIABILITIES</b>	<b>3,146</b>	<b>2,577</b>
<b>EQUITY</b>		
<b>ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>		
Share capital	4,922	4,922
Share premium	12,371	12,371
Retained earnings	1,758	1,474
<b>TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>	<b>19,051</b>	<b>18,767</b>
Attributable to non-controlling interests	224	262
<b>TOTAL EQUITY</b>	<b>19,275</b>	<b>19,029</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>22,421</b>	<b>21,606</b>

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, 2022 and 2021  
(Expressed in thousands of Bermuda Dollars except earnings per share data)

	UNAUDITED SEPTEMBER 30 2022	UNAUDITED SEPTEMBER 30 2021
<b>CONTINUING OPERATIONS</b>		
Total revenue	6,536	5,731
Total cost of revenue	(2,749)	(2,036)
<b>GROSS PROFIT</b>	<b>3,787</b>	<b>3,695</b>
Other income	118	111
<b>OPERATING EXPENSES</b>		
Wages and benefits	(2,149)	(2,172)
Other direct expenses and overheads	(710)	(652)
Depreciation	(231)	(228)
<b>TOTAL OPERATING EXPENSES</b>	<b>(3,090)</b>	<b>(3,052)</b>
Finance costs	(1)	(32)
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>814</b>	<b>722</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>814</b>	<b>722</b>
<b>INCOME ATTRIBUTABLE TO:</b>		
Shareholders of the Company	776	679
Non-controlling interests	38	43
<b>INCOME FOR THE PERIOD</b>	<b>814</b>	<b>722</b>
<b>EARNINGS PER SHARE</b>		
Basic and diluted from income for the period	0.16	0.14
Basic and diluted from continuing operations	0.16	0.14

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

## CONSOLIDATED STATEMENT OF CHANGES TO SHAREHOLDERS' EQUITY

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022 AND 2021  
(Expressed in thousands of Bermuda Dollars)

	ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				NON- CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL		
<b>APRIL 1, 2021</b>	<b>4,922</b>	<b>12,371</b>	<b>422</b>	<b>17,715</b>	<b>244</b>	<b>17,959</b>
<b>TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY</b>						
Dividends to non-controlling interests	-	-	-	-	(72)	(72)
	<b>4,922</b>	<b>12,371</b>	<b>422</b>	<b>17,715</b>	<b>172</b>	<b>17,887</b>
<b>TOTAL COMPREHENSIVE INCOME</b>						
Income for the period	-	-	679	679	43	722
<b>SEPTEMBER 30, 2021</b>	<b>4,922</b>	<b>12,371</b>	<b>1,101</b>	<b>18,394</b>	<b>215</b>	<b>18,609</b>
<b>APRIL 1, 2022</b>	<b>4,922</b>	<b>12,371</b>	<b>1,474</b>	<b>18,767</b>	<b>262</b>	<b>19,029</b>
<b>TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY</b>						
Dividends to non-controlling interests	-	-	-	-	(76)	(76)
Dividends	-	-	(492)	(492)	-	(492)
	<b>4,922</b>	<b>12,371</b>	<b>982</b>	<b>18,275</b>	<b>186</b>	<b>18,461</b>
<b>TOTAL COMPREHENSIVE INCOME</b>						
Income for the period	-	-	776	776	38	814
<b>SEPTEMBER 30, 2022</b>	<b>4,922</b>	<b>12,371</b>	<b>1,758</b>	<b>19,051</b>	<b>224</b>	<b>19,275</b>

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, 2022 AND 2021  
(Expressed in thousands of Bermuda Dollars)

	UNAUDITED SEPTEMBER 30 2022	UNAUDITED SEPTEMBER 30 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income for the period	814	722
<b>ADJUSTMENTS:</b>		
Depreciation	231	228
Finance costs	1	32
<b>CHANGES IN NON-CASH WORKING CAPITAL:</b>		
Accounts receivable	(2,460)	(1,391)
Prepaid expenses	28	54
Inventories	(33)	31
Accounts payable and accrued liabilities	(343)	(263)
Deferred revenue	912	2,115
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(850)</b>	<b>1,528</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment, net	(46)	(5)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(46)</b>	<b>(5)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interests	(76)	(72)
Dividends paid	(492)	-
Repayment of bank loan	-	(1,614)
Finance costs	(1)	(32)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(569)</b>	<b>(1,718)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Decrease during the period	(1,464)	(195)
Beginning of the period	7,618	5,798
<b>END OF THE PERIOD</b>	<b>6,154</b>	<b>5,603</b>

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, 2022  
(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, 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting, and follow the same accounting policies as per the March 31, 2022 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, 2022 annual financial statements.

### 2. Segment reporting

BAS and its subsidiaries (the “Group”) have three reportable segments as shown below. The Group’s management has identified the operating segments based on the goods and services they provide.

The following describes the composition of each of the Group’s three 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, customised electrical, generator and fire detection solutions.

	ADMINISTRATIVE SERVICES	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT	TOTAL
<b>CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2022</b>				
Revenue from external customers	20	1,381	5,135	<b>6,536</b>
Inter-segment revenue	882	7	201	<b>1,090</b>
Depreciation	211	1	19	<b>231</b>
Income (loss)	(1,053)	405	1,345	<b>697</b>
Total capital expenditure	(40)	(2)	(4)	<b>(46)</b>
<b>CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2022</b>				
Total operating assets	6,993	2,132	8,007	<b>17,132</b>
Total operating liabilities	320	43	2,783	<b>3,146</b>

	ADMINISTRATIVE SERVICES	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT	TOTAL
<b>CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2021</b>				
Revenue from external customers	20	1,399	4,312	<b>5,731</b>
Inter-segment revenue	834	9	123	<b>966</b>
Depreciation	213	2	13	<b>228</b>
Income (loss)	(1,001)	451	1,193	<b>643</b>
Total capital expenditure	(2)	-	(3)	<b>(5)</b>
<b>CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2021</b>				
Total operating assets	7,396	1,317	7,813	<b>16,526</b>
Total operating liabilities	256	12	3,341	<b>3,609</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022  
(Expressed in thousands of Bermuda Dollars)

### 2. Segment reporting (continued)

SEGMENTS RECONCILIATION	UNAUDITED SEPTEMBER 30 2022	UNAUDITED SEPTEMBER 30 2021
<b>INCOME (LOSS)</b>		
Total income from continuing operations for reportable segments	697	643
Other income	118	111
Finance costs	(1)	(32)
<b>TOTAL GROUP COMPREHENSIVE INCOME</b>	<b>814</b>	<b>722</b>

SEGMENTS RECONCILIATION	UNAUDITED SEPTEMBER 2022	AUDITED MARCH 2022
<b>TOTAL ASSETS</b>		
Total assets for reportable segments	17,132	16,317
Goodwill	5,289	5,289
<b>TOTAL GROUP ASSETS</b>	<b>22,421</b>	<b>21,606</b>
<b>TOTAL LIABILITIES</b>		
Total liabilities for reportable segments	3,146	2,577
<b>TOTAL GROUP LIABILITIES</b>	<b>3,146</b>	<b>2,577</b>

### 3. Significant transactions

During the period the Company declared and paid a special dividend of \$492 (2021 \$nil). This amounted to \$0.10 per share.

## DIRECTORS

### **Chairman**

David W. Pugh, FCA

Jeffrey G. Conyers  
Dennis Fagundo  
E. Michael Leverock

### **Deputy Chairman**

Gail E.M. Miller

Scott Pearman  
Leslie Rans, CPA  
Glen Smith

### **Secretary**

Conyers Corporate Services (Bermuda)  
Limited

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## OFFICERS

### **Navdeep Dhesi, CPA, CMA**

Chief Executive Officer  
BAS Group of Companies

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## MANAGEMENT

### **Jeff Cook**

General Manager  
Weir Enterprises Ltd.

### **Steven Douglas**

General Manager  
Otis Elevator Company (Bermuda) Ltd.

### **Christopher Wright**

General Manager  
BAS Facilities Management Ltd.

### **Chantelle Berkeley, CPA**

Group Finance Manager  
BAS Group of Companies



## ADDRESS

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(BERMUDA), LTD.**

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