BAS

GROUP OF COMPANIES

ANNUAL REPORT

2022 - 2023

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REPORT
TO SHAREHOLDERS

Bermuda Aviation Services Limited (the "Company") and its subsidiaries (the "Group") report a total comprehensive income of $0.6 million for the year ended March 31, 2023, compared to a comprehensive income of $1.2 million in the prior year. An impairment charge of $0.8 million ($0.4 million in prior year) on goodwill was recognized during the year which is reflected in the total comprehensive income for the year.

Revenues from continuing operations were $13.7 million for the year, which is an increase of $1.2 million over prior year. Total cost of revenue was $6.0 million, an increase of $1.2 million; resulting in a gross margin of $7.6 million which remains consistent with the prior year. The increase in the cost of goods and materials compared to the previous year is primarily a result of inflation and difficulties in sourcing materials.

Total operating expenses from ongoing operations saw a year-over-year increase of $0.3 million. The rise in operating expenses can be attributed to higher resource costs required to maintain our business operations and professional fees associated with our efforts to explore new business opportunities. In the face of the existing economic conditions and the growing expenditures, management reaffirms its dedication to exercising cost control whenever feasible.

Total Operating Income and Strategic Focus:

Our total operating income for the Group remains steady at $1.4 million in the current year, compared to $1.6 million in the previous year. While we have encountered increased local competition and supply chain challenges, our focus on identifying new revenue opportunities and streamlining internal processes has allowed us to maintain a resilient performance. We remain dedicated to further enhancing our operational efficiencies and margin management to adapt to the ever-changing business landscape.

Operational Excellence and Financial Analysis:

Over the past year, our management team has remained steadfast in their commitment to enhancing the overall operational efficiency of the company. A cornerstone of this effort has been our detailed financial analysis, with a sharp focus on optimizing profit margins. Through careful assessment and strategic decision-making, we have successfully identified areas for improvement that have resulted in a stronger financial performance. Our dedication to sound financial management remains unwavering, as we continue to work towards maximizing value for our shareholders.

Dividends and Shareholder Value:

For the year ended March 31, 2023, the Board of Directors has approved a total dividend of $0.10 per share, which represents a dividend of $0.03 per share and a special dividend of $0.07 per share. This reflects our strong balance sheet position and underscores our commitment to upholding the Group's financial stability while rewarding our loyal shareholders. We take this opportunity to express our gratitude for your commitment, and trust over the years.

Facilities Management Achievements:

At BAS Facilities Management Ltd. (BASFM), our commitment to excellence has driven significant accomplishments. We have successfully provided comprehensive facilities management services, addressing operational support and project management needs for our commercial clients in Bermuda. This success is a testament to our commitment to fulfilling our clients' needs while embracing sustainable practices for the benefit of both our clients and the environment.

Otis Elevators remains steadfast in its commitment to delivering exceptional maintenance solutions to our valued customers. Our proactive elevator servicing approach, coupled with thorough monitoring and informed recommendations for replacement or upgrades, ensures the safe and efficient operation of elevators. Additionally, our dedication to training initiatives ensures that our workforce remains equipped with the skills needed to maintain the highest standards of service.

Innovation in Facilities Management:

In line with our dedication to innovation, we are proud to introduce our cleaning services under the brand "Cedar Isle Cleaning" within BASFM. This exciting initiative aligns with our vision for integrated facilities management and underscores our determination to offer holistic solutions tailored to our clients. Our new cleaning services are designed to set new standards of cleanliness, hygiene, and efficiency and focus on sustainable practices.

Automotive Performance:

Despite the challenges posed by local competition and supply chain constraints, Weir Enterprises continues to demonstrate strong performance. Weir continues to prioritize exceptional customer service, high-quality standards, and competitive pricing as the cornerstones of our operations.

Note of Appreciation

The Company expresses its sincere gratitude to David W. Pugh for his dedicated service as Chairman of the BAS Board of Directors for many years. Mr. Pugh retired from his role on the BAS Board on September 14th, 2023, concluding a successful twelve-year tenure, the last seven of which he spent as Chairman. The Company, along with its shareholders, employees, and fellow Board members, deeply appreciates the invaluable guidance and exemplary leadership he provided during his tenure as Chairman and as a member of the Board. As David embarks on his well-deserved retirement, all of us extend our heartfelt best wishes to him for the future.

We would also extend our appreciation to our shareholders, management teams, employees, clients, and partners. Your contributions and support have been vital to our achievements. We remain committed to evolving with the changing landscape, enhancing customer experiences, and increasing shareholder value.

Gail E. M. Miller
CHAIRMAN

Navdeep Dhesi
CHIEF EXECUTIVE OFFICER

September 14th, 2023

Certain statements in this report may be deemed to include "forward-looking statements" and are based on Management's current expectations and are subject to uncertainty and change in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors including worldwide economic conditions, success in business retention and obtaining new business and other factors

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

Five Year Summary

FOR THE YEAR ENDED MARCH 31 (Expressed in thousands of Bermuda Dollars)	**2023**	**2022**	**2021**	**2020**	**2019**
Revenue from continuing operations	13,648	12,433	12,546	15,575	14,905
Income (loss) from continuing operations	562	1,160	(310)	(1,299)	534
Loss from discontinued operations	-	-	(784)	(612)	(182)
Income (loss) for the year	562	1,160	(1,094)	(1,911)	352
Income attributable to non-controlling interests	(46)	(108)	(139)	(172)	(157)
Income (loss) attributable to shareholders of the Company	516	1,052	(1,233)	(2,083)	195
Dividends	492	-	-	-	-

FINANCIAL POSITION AS AT MARCH 31 (Expressed in thousands of Bermuda Dollars)	**2023**	**2022**	**2021**	**2020**	**2019**
Total assets	21,349	21,606	21,330	33,285	32,702
Total liabilities	2,357	2,577	3,371	14,107	11,016
Equity attributable to shareholders of the Company	18,992	18,767	17,715	18,948	21,285

FINANCIAL RATIOS	**2023**	**2022**	**2021**	**2020**	**2019**
Earnings (loss) per share	$0.10	$0.21	$(0.25)	$(0.42)	$0.04
Return on shareholders' equity	2.96%	6.10%	(6.09%)	(9.79%)	0.94%

SHAREHOLDER DATA	**2023**	**2022**	**2021**	**2020**	**2019**
Shares in issue	4,922,301	4,922,301	4,922,301	4,922,301	4,922,301
Book value per share	$3.82	$3.81	$3.60	$3.85	$4.32

AS AT MARCH 31	**2023**	**2022**	**2021**	**2020**	**2019**
Number of employees	84	81	133	161	151

The accompanying report of KPMG Audit Limited (“KPMG”) is for the sole and exclusive use of Bermuda Aviation Services Limited (the “Company”). No person, other than the Company, is authorized to rely upon the report of KPMG unless KPMG expressly so authorizes. Furthermore, the report of KPMG is as at XXX and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.

KPMG Audit Limited
Crown House
4 Par-la-Ville Road
Hamilton
HM 08
Bermuda

Telephone +1 441 295 5063
Fax +1 441 295 9132
Internet www.kpmg.bm

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Bermuda Aviation Service Limited

Opinion

We have audited the consolidated financial statements of Bermuda Aviation Services Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at March 31, 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
Goodwill impairment assessment ***See Notes 2(J), 2(K) and 9 of the consolidated financial statements for details of the goodwill impairment***	
As at March 31, 2022 goodwill arising from the acquisition of the Automotive Garages and Facilities Management cash generating units ("CGUs") was $5,289,374. During the year ended March 31, 2023 management performed an impairment assessment and concluded that the goodwill was impaired.	We evaluated internal future cashflow forecasts for the CGUs and the process by which they were developed. We compared previous forecasts to actual results to assess the performance of each CGU and the accuracy of internal forecasting and assessed explanations received by reference to our cumulative audit knowledge and also obtained support for deviations from previous

The goodwill impairment assessment is an area requiring significant judgement. This results in an increased risk of error due to estimation uncertainty. The directors prepared a discounted future cash flow forecast in order to assess whether an impairment charge should be recorded in respect of the CGUs. The most significant judgements and assumptions used related to: • projected cashflows from revenue and expense growth/contraction; • discount rate; • budgeted growth rate; and • time period over which cashflows are projected to occur, The directors concluded that the goodwill for the Automotive Garages CGU and Facilities Management CGU1 was impaired and an impairment charge of \$760,490 should be recorded to write down goodwill to \$4,528,884.	forecasts. We tested the Group's calculations for accuracy and the judgements and assumptions that supported the director's conclusions that goodwill was impaired as follows: • We evaluated the valuation techniques, assumptions and data used by the directors to make their accounting estimates (and range thereof) used for calculation of the CGUs' value in use by reference to internal and external supporting documentation. • We evaluated the appropriateness and likelihood of the sensitivities and their impact on the overall impairment test outcome and assessed whether additional sensitivity analysis would have been appropriate in light of our cumulative audit knowledge. • We evaluated whether judgements and decisions made by the directors when measuring recoverable amount are indicators of possible "management bias". Specifically, we evaluated the assumptions made in arriving at internally developed operating budget and cashflow forecasts for each CGU based on historical results and actual performance against budget, and externally available information including current and recent Bermuda inflation rates. • We compared the discount rate used of 11.00% to the Group's internal weighted average cost of capital and our independent assessment of the rate of return required by an external investor based on market data. • We tested the allocation of overheads to CGUs against both historic internal allocations to the CGUs and also through evaluating the supporting methodology for the costs included within the forecast allocations. There were no material exceptions or contradictory information as a result of the procedures performed.

Other information

Management is responsible for the other information. The other information comprises the Report to Shareholders, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Engagement Partner on the audit resulting in this independent auditor's report is Stephen Woodward.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
September 14, 2023

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

AS AT MARCH 31, 2023
(Expressed in thousands of Bermuda Dollars)

	2023	2022
CURRENT ASSETS		
Cash and cash equivalents (note 4)	7,413	7,618
Accounts receivable and contract assets (notes 5 and 17)	2,163	1,150
Prepaid expenses (note 6)	165	193
Inventories (note 7)	589	574
	10,330	**9,535**
NON-CURRENT ASSETS		
Property, plant and equipment (note 8)	6,490	6,782
Goodwill (note 9)	4,529	5,289
	11,019	**12,071**
TOTAL ASSETS	**21,349**	**21,606**
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 10)	1,411	1,249
Deferred revenue (note 5)	946	1,328
	2,357	**2,577**
TOTAL LIABILITIES	**2,357**	**2,577**
EQUITY		
ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
Share capital (note 11)	4,922	4,922
Share premium	12,371	12,371
Retained earnings	1,498	1,474
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	**18,791**	**18,767**
Attributable to non-controlling interests (note 12)	201	262
TOTAL EQUITY	**18,992**	**19,029**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**21,349**	**21,606**

COMMITMENTS (note 16)

Signed on behalf of the Board

DIRECTOR DIRECTOR

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

—

FOR THE YEAR ENDED MARCH 31, 2023

(Expressed in thousands of Bermuda Dollars except earnings per share data)

	2023	2022
CONTINUING OPERATIONS		
Total revenue (note 18)	**13,648**	**12,433**
Total cost of revenue	(6,038)	(4,803)
GROSS PROFIT	**7,610**	**7,630**
Other income (note 13)	250	228
OPERATING EXPENSES		
Wages and benefits (note 17)	4,496	4,397
Other direct expenses and overheads (note 14)	1,590	1,372
Depreciation (note 8)	457	451
TOTAL OPERATING EXPENSES	**6,543**	**6,220**
Impairment reversal (loss) on trade receivables (note 5)	9	(43)
TOTAL OPERATING INCOME	**1,326**	**1,595**
Finance costs	(4)	(33)
Impairment loss on goodwill (note 9)	(760)	(402)
TOTAL INCOME FROM CONTINUING OPERATIONS	**562**	**1,160**
TOTAL COMPREHENSIVE INCOME	**562**	**1,160**
INCOME ATTRIBUTABLE TO:		
Shareholders of the Company	516	1,052
Non-controlling interests (note 12)	46	108
INCOME FOR THE YEAR	**562**	**1,160**
EARNINGS PER SHARE		
Basic and diluted from income for the year (note 15)	0.10	0.21
Basic and diluted from continuing operations (note 15)	0.11	0.24

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

CONSOLIDATED STATEMENT OF
CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2023
(Expressed in thousands of Bermuda Dollars)

	ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY					
	CAPITAL SHARE	SHARE PREMIUM	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
APRIL 1, 2021	**4,922**	**12,371**	**422**	**17,715**	**244**	**17,959**
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY						
Dividends to non-controlling interests (note 12)	-	-	-	-	(90)	(90)
	4,922	**12,371**	**422**	**17,715**	**154**	**17,869**
TOTAL COMPREHENSIVE INCOME						
Income for the year	-	-	1,052	1,052	108	1,160
MARCH 31, 2022	**4,922**	**12,371**	**1,474**	**18,767**	**262**	**19,029**
APRIL 1, 2023	**4,922**	**12,371**	**1,474**	**18,767**	**262**	**19,029**
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY						
Dividends to non-controlling interests (note 12)	-	-	-	-	(107)	(107)
Dividends to Shareholders			(492)	**(492)**		(492)
	4,922	**12,371**	**982**	**18,275**	**155**	**18,430**
TOTAL COMPREHENSIVE INCOME						
Income for the year	-	-	516	516	46	562
MARCH 31, 2023	**4,922**	**12,371**	**1,498**	**18,791**	**201**	**18,992**

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023
(Expressed in thousands of Bermuda Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income for the year	562	1,160
ADJUSTMENTS:		
Depreciation (note 8)	457	451
Finance costs	4	33
Impairment (reversal) loss on trade receivables (note 5)	(9)	43
Impairment loss on goodwill (note 9)	760	402
CHANGES IN NON-CASH WORKING CAPITAL:		
Accounts receivable (note 5)	(1,004)	694
Prepaid expenses (note 6)	28	16
Inventories (note 7)	(15)	20
Accounts payable and accrued liabilities (note 10)	162	157
Deferred revenue	(382)	663
NET CASH PROVIDED BY OPERATING ACTIVITIES	**563**	**3,639**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment (note 8)	(165)	(82)
NET CASH USED IN INVESTING ACTIVITIES	**(165)**	**(82)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests (note 12)	(107)	(90)
Dividends to Shareholders	(492)	-
Repayment of Bank Loan	–	(1,614)
Finance costs	(4)	(33)
NET CASH USED IN FINANCING ACTIVITIES	**(603)**	**(1,737)**
CASH AND CASH EQUIVALENTS		
(Decrease) increase during the year	(205)	1,820
Beginning of the year	7,618	5,798
END OF THE YEAR	**7,413**	**7,618**

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

1. Operations

Bermuda Aviation Services Limited ("BAS" or the "Company") is domiciled and registered in Bermuda. The Company's registered office is Clarendon House, 2 Church Street, Hamilton, Bermuda. BAS and its subsidiaries (the "Group") distribute automotive parts and provide automotive services; and provide facilities management services including elevator maintenance and installation, customised electrical, generator and fire detection solutions. BAS, the ultimate controlling entity of the Group, is listed on the Bermuda Stock Exchange. The principal place of business is located at 19 Bakery Lane, Pembroke, HM 07, Bermuda.

These consolidated financial statements were approved by the Board of Directors on September 14, 2023.

2. Summary of significant accounting policies

A) BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on the historical cost basis except for assets and liabilities held-for-sale, which are measured at fair value. These consolidated financial statements are presented in Bermuda Dollars which is the Group's functional currency.

Based on its current operations subsequent to the year-end, and future operating budgets, financial forecasts and cashflow projections, management expects the level of activity will be sufficient to enable the Group to continue to adopt the going concern basis in preparing its consolidated financial statements.

B) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various estimates.

(i) Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Notes 2.E(iii) and 5	Impairment of financial instruments: measurement of the expected credit loss allowance for trade receivables
Notes 2.J, K and 9	Intangible assets and goodwill: key assumptions underlying the goodwill impairment assessment including discount rate, cashflows and growth rate
Note 2.I and 8	Property, plant & equipment: determining the fair value less costs to sell and value in use of the BAS Building as at March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B) Significant accounting judgements, estimates and assumptions (continued)

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

C) NEW STANDARDS AND INTERPRETATIONS

There were a number of amendments to standards that were effective for periods beginning on April 1, 2022 but they do not have a material effect on the Group's consolidated financial statements. These have been listed below:

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

A number of new or amended standards are effective for annual periods beginning after April 1, 2023 and early adoption is permitted; however, the Group has not early adopted the following new or amended standards in preparing its consolidated financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018 – 2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptional Framework (Amendments to IFRS 3)
- IFRS 17 Insurance Contracts
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

D) CONSOLIDATION

(i) Subsidiaries

Subsidiaries are entities controlled by the Group, The Group 'controls" an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

These consolidated financial statements include the financial statements of BAS and its wholly owned subsidiaries: BAS Facilities Management Ltd. ("BASFM"), Eastbourne Properties Ltd. ("EPL"), and Weir Enterprises Ltd. ("Weir"). These consolidated financial statements also include the Group's interest in Otis Elevator Company (Bermuda), Ltd. ("Otis"), whereby the Group has an 80.1 percent interest.

All transactions and balances within the Group have been eliminated on consolidation. The financial statements of the subsidiaries are prepared for the same reporting period as BAS, using consistent accounting policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D) Consolidation (continued)

(ii) Business combinations
The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and any equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

Acquisition-related costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

E) FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement
Accounts and other receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments. Accounts and other receivables are initially measured at the transaction price which reflects fair value. All other financial assets and financial liabilities are initially measured at fair value plus transactions costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement
Management determines the classification of its financial instruments at the time of initial recognition. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Group's designation of such instruments.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and if its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio, how the performance of the portfolio is evaluated and reported to the Group's management and the risks that affect the performance of the business model and how those risks are managed. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument, including assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The following summarises the classification the Group applies to each of its significant categories of financial instruments:

Category	Classification
Cash and cash equivalents	Amortised cost
Accounts and other receivables	Amortised cost
Accounts payable	Amortised cost

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E) Financial Instruments (continued)

Financial assets and financial liabilities are subsequently accounted for based on their classification as described below.

Financial assets measured at amortised cost
Financial assets measured at amortised cost are accounted for at amortised cost using the effective interest method less any impairment losses.

Other financial liabilities
Other financial liabilities are recorded at amortised cost using the effective interest method.

(iii) Impairment of financial instruments
The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets measured at amortised cost, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment losses are recognised in the consolidated statement of comprehensive income and reflected in an allowance account against accounts and other receivables. If, in a subsequent period, an event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated statement of comprehensive income.

F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash balances with banks in current and demand accounts and deposits with an original maturity date of 90 days or less. The Group maintains bank accounts with three financial institutions in Bermuda. Cash and cash equivalents are classified as financial assets measured at amortised cost.

G) ACCOUNTS RECEIVABLE

Accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected within one year, they are classified as current assets. If not, they are presented as non-current assets under accounts receivable. Accounts receivable also include unbilled revenue on contracts in progress, which represent amounts recognised as revenue for which invoices have not yet been sent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

H) INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based either on a first-in/first-out basis or a weighted average basis. Inventories include a provision, assessed by management, for slow moving and obsolete inventory items.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period, to the extent that such events confirm conditions existing at the end of the period.

I) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses. Land is not depreciated. Property, plant and equipment are being depreciated over their estimated useful lives using the straight-line method, which are as follows:

Buildings	From 20 to 40 years
Machinery and equipment	From 2 to 15 years
Furniture and fixtures	From 3 to 10 years
Leasehold improvements	From 2 to 10 years

The assets' residual values and useful lives are reviewed at the end of each reporting period. If an asset's carrying amount is greater than its recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds of the disposal with the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income.

J) INTANGIBLE ASSETS AND GOODWILL

Intangible assets acquired separately are initially measured at cost. The goodwill acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, goodwill is carried at cost less accumulated impairment losses.

K) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K) Impairment of non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

L) ACCOUNTS PAYABLE

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

M) DEFERRED REVENUE

Collection of sales revenue from customers for future products and services are recorded as deferred revenue until the contracts are completed or the products and services are delivered.

N) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ('the functional currency'). These consolidated financial statements are presented in Bermuda Dollars ("BMD"), which is the functional currency of all subsidiaries.

(ii) Transactions and balances
Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to BMD at the rates of exchange prevailing at the date of the financial statements.

Exchange gains and losses are included in other direct expenses and overheads. For the year ended March 31, 2023, exchange losses were $6 (2022 - $6).

Non-monetary assets and liabilities denominated in foreign currencies are translated to BMD at historical rates of exchange.

For the purpose of the consolidated statement of cash flows, exchange gains and losses are treated as cash items and included along with movements in the relevant balances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

O) REVENUE RECOGNITION

Revenue is measured based on the consideration specified in a contract with a customer and is recorded when control of goods or services is transferred to a customer. For the sale of goods, revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. For the sale of services, revenue recognition occurs over time given that the customer simultaneously receives and consumes the benefits provided by the Group. For services sold together with other services or equipment, the Group accounts for them as separate deliverables and allocates consideration between these deliverables based on relative stand-alone selling prices. Net, rather than gross, revenue is recorded for projects where the Group acts as an agent of the customer and manages a project on the clients' behalf. Total cost of revenue includes only expenses directly or indirectly attributable to the provision of goods and services such as the costs of inventory, labour and attributable overheads. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies.

REVENUE STREAM	NATURE AND TIMING OF SATISFACTION OF PERFORMANCE OBLIGATIONS	REVENUE RECOGNITION
Automotive garages	Customers obtain control of the automotive parts and services when the goods are dispatched from the Group's warehouse or when the services have been accepted at the Group's premises. Invoices are generated at that point in time.	Revenue is recognised at a point-in-time, when the customers take possession of the goods or when the services have been accepted.
Facilities management	Customers obtain control of the facilities management services as they are being rendered at their premises. Invoices are generated based on agreed contractual terms.	For maintenance, management and support contracts, revenue is recognised over the period of time covered by the contract. For all other contracts, revenue is recognised over time, in relation to the cost incurred for the project, as progress is determined based on the cost-to-cost method. Uninvoiced amounts are included in accounts receivable as unbilled revenue on contracts in progress and advances received are included in deferred revenue.

P) PENSION BENEFITS

The Group maintains defined contribution pension plans covering certain employees. Employer contributions to the defined contribution plans are expensed as incurred and are included in wages and benefits expenses. The net defined contribution plan expenses for the Group for the year ended March 31, 2023 were $146 (2022 - $125).

Q) LEASE EXPENSES

The Group applies the recognition exemption not to recognise right-of-use asset and liability on its leases with less than 12 months of lease term at reporting date. The Group recognises the lease payments associated with these leases as an expense in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease. Expense related to short-term leases amounted to $nil (2022 – nil).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

R) DISCONTINUED OPERATION

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of comprehensive income is presented as if the operation had been discontinued from the start of the comparative period.

3. Financial risk management

A) FINANCIAL RISK FACTORS

The Group's activities may expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In the current year, the Group has no significant exposure to interest rate risk.

Currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities.

The Group, in its normal course of business, is required to acquire both goods and services from overseas vendors requiring payment primarily in US Dollars (USD). and to a lesser extent Pounds Sterling (GBP) and Euro (EUR). However, foreign currency risk is minimal, due to the fact that the Bermuda dollar is pegged to the USD at a 1:1 rate and that the GBP and EUR exposure is not significant.

Price risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market other than interest rate, currency, credit or liquidity. At the reporting date the Group had no significant price risk exposure.

(Expressed in thousands of Bermuda Dollars)

3. FINANCIAL RISK MANAGEMENT

A) Financial risk factors (continued)

(ii) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with financial institutions.

Cash and cash equivalents are held with financial institutions which have a minimal risk of default, rated by Standard & Poor's with minimum credit ratings of BBB+, and as such do not expose the Group to significant credit risk. Customer credit risk is managed by each subsidiary subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group does not hold collateral as security, and the maximum exposure to credit risk at the reporting date is the carrying value of the receivable and cash and cash equivalents balances.

(iii) Liquidity risk

Liquidity risk is the risk that sufficient funds will not be available to meet financial requirements as they become due. The Group manages liquidity risk by continually monitoring actual and projected cash flows. The following are the contractual undiscounted cash flows of financial liabilities by contractual maturities at the end of each reporting period:

MARCH 31, 2023	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS	TOTAL
Accounts payable	591	-	-	-	-	591
	591	**-**	**-**	**-**	**-**	**591**

MARCH 31, 2022	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS	TOTAL
Accounts payable	439	-	-	-	-	439
	439	**-**	**-**	**-**	**-**	**439**

B) CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain investor, creditor and market confidence so as to sustain the future development of the business.

The Group sets the amount of capital in proportion to risk required. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, purchase its own shares for cancellation or sell its assets to reduce debt. As at March 31, 2023, the net debt to asset ratio is nil (2022 – nil).

3. FINANCIAL RISK MANAGEMENT

(continued)

C) FAIR VALUE ESTIMATION

Fair value is the amount for which a financial asset could be exchanged, or a financial liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash and cash equivalents, accounts receivable and accounts payable are reasonable estimates of their fair values due to the short-term maturity of these instruments or the fact that they attract interest at market rates. Judgements include considerations of inputs such as liquidity risk, credit risk and market conditions. Changes in assumptions relating to these factors could affect the reported fair value.

As at March 31, 2023, no group of assets or liabilities were measured at fair value. There have been no transfers between hierarchy levels during the years ended March 31, 2023 and 2022.

4. Cash and cash equivalents

Cash and cash equivalents comprise of cash held in current accounts in the amount of $7,413 (2022 – $7,618).

(Expressed in thousands of Bermuda Dollars)

5. Accounts Receivable, contract assets and liabilities

Accounts receivable and contract assets are classified as follows:

	2023	2022
Trade receivables	1,200	934
Less: allowance for doubtful accounts	(48)	(57)
Net trade receivables	1,152	877
Unbilled revenue on contracts in progress	1,011	273
TOTAL ACCOUNTS RECEIVABLE	**2,163**	**1,150**

The aging of current trade receivables and contract assets at the reporting date was:

	GROSS AMOUNT 2023	WEIGHTED AVERAGE LOSS RATE	IMPAIRED AMOUNT 2023	NET 2023	CREDIT IMPAIRED
Not past due	1,038	-	-	1,038	No
1-30 days	832	-	-	832	No
31-60 days	105	-	-	105	No
61-90 days	6	-	-	6	No
More than 90 days	230	20.86%	(48)	182	Yes
	2,211		**(48)**	**2,163**	

	GROSS AMOUNT 2022	WEIGHTED AVERAGE LOSS RATE	IMPAIRED AMOUNT 2022	NET 2022	CREDIT IMPAIRED
Not past due	271	-	-	271	No
1-30 days	407	-	-	407	No
31-60 days	228	-	-	228	No
61-90 days	15	-	-	15	No
More than 90 days	286	19.93%	(57)	229	Yes
	1,207		**(57)**	**1,150**	

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2023	2022
Opening balance	57	56
Charge for the year	(9)	43
Receivables written off during the period as uncollectible	-	(42)
CLOSING BALANCE	**48**	**57**

(Expressed in thousands of Bermuda Dollars)

Deferred Revenue (contract liabilities) of $946 (2022 $1,328) is derived from the advance consideration received from customers for projects for which revenue is recognised over time. Of the $1,328 deferred in 2022, $926 was recognized as revenue in 2023. Unbillled Revenue (contract assets) of $1,011(2022 $273) is as result of work performed or services provided and not billed at the reporting date. This revenue has been recognized at the date of reporting.

6. Prepaid expenses

Prepaid expenses are classified as follows:

	2023	2022
Insurance	72	81
Taxes	45	41
Other prepaid expenses	48	71
	165	**193**

7. Inventories

Inventories are classified as follows:

	2023	2022
Automotive parts	585	558
Electrical parts and other	4	16
	589	**574**

Cost of revenue includes expensed inventories in the amount of $910 (2022 - $867).

Other direct expenses and overheads includes write-down of inventories in the amount of $50 (2022 - $5).

Inventories are shown net of a provision for obsolete and slow-moving items in the amount of $nil (2022 - $nil).

(Expressed in thousands of Bermuda Dollars)

8. Property, plant and equipment

Property, plant and equipment cost and related accumulated depreciation are classified as follows:

	LAND AND BUILDINGS	MACHINERY AND EQUIPMENT	FURNITURE AND FIXTURES	LEASEHOLD IMPROVEMENTS	TOTAL
COST					
April 1, 2021	11,244	1,167	97	470	12,978
Additions	-	59	-	23	82
Disposals and retirements	-	(49)	-	-	(49)
MARCH 31, 2022	**11,244**	**1,177**	**97**	**493**	**13,011**
Additions	-	98	-	67	165
Disposals and retirements	-	-	-	-	-
MARCH 31, 2023	**11,244**	**1,275**	**97**	**560**	**13,176**
ACCUMULATED DEPRECIATION & IMPAIRMENT					
April 1, 2021	4,235	1,098	97	397	5,827
Depreciation for the year					
Continuing operations	365	35	-	51	451
Disposals and retirements	-	(49)	-	-	(49)
MARCH 31, 2022	**4,600**	**1,084**	**97**	**448**	**6,229**
Depreciation for the year					
Continuing operations	365	46	-	46	457
Disposals and retirements	-	-	-	-	-
MARCH 31, 2023	**4,965**	**1,130**	**97**	**494**	**6,686**
CARRYING AMOUNTS					
At April 1, 2021	7,009	69	-	73	**7,151**
At March 31, 2022	6,644	93	-	45	**6,782**
At March 31, 2023	6,279	145	-	66	**6,490**

Property, plant and equipment are reviewed annually for impairment. Management has determined that there was no impairment of property, plant and equipment for the year ended March 31, 2023.

(Expressed in thousands of Bermuda Dollars)

9. Goodwill

Goodwill is classified as follows:

	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT		TOTAL
		CGU 1	CGU 2	
GOODWILL				
April 1, 2021	**1,821**	**1,407**	**2,463**	**5,691**
Impairment of goodwill	(402)	-	-	(402)
MARCH 31, 2022	1,419	1,407	2,463	5,289
Impairment of goodwill	(528)	(232)	-	(760)
MARCH 31, 2023	**891**	**1,175**	**2,463**	**4,529**
CARRYING AMOUNTS				
At April 1, 2021	1,821	1,407	2,463	**5,691**
At March 31, 2022	1,419	1,407	2,463	**5,289**
At March 31, 2023	891	1,175	2,463	**4,529**

During the year, management conducted impairment tests on the Group's CGUs and determined that goodwill was impaired. The recoverable amount of each CGU was based on its value in use, determined by discounting future cash flows to be generated from the continuing use of the CGU. Due to ongoing economic conditions in the Bermuda automotive and facilities management sectors which has resulted in lower than expected cash flows from the Automotive Garages CGU and Facilities Management CGU1, the carrying amount of the CGU was determined to be lower than its recoverable amount and an impairment loss of $760 (2022 - $402) was recognized.

The key assumptions used in the estimation of value In use were as follows:

	2023	2022
Discount rate	11.00%	10.67%
Period	50 years	50 years
Budgeted growth rate	2.00%	2.00%

Cash Flow Assumption
Based on cash flow projections for the year 2023/2024 (presented and approved by the Board of Directors) as the constant annual future cash flows based on prior periods. No capital expenditures were factored into the cash flow projections, as no investment is needed to maintain the current level of operations of the CGUs, as they rely almost entirely on inventory and labour to generate revenues.

Discount rate
A discount rate of 11.00% (2022 – 10.67%) was used based on the estimated weighted-average cost of capital and inflation

Growth rate
A growth rate of 2.00% (2022–- 2.00%) was used, which represents management's assessment of future cash flows.

Time
Management elected to use a period of 50 years as the CGUs are well-established Bermuda businesses, at the end of which the terminal value would be the initial value of operating net assets.

(Expressed in thousands of Bermuda Dollars)

9. GOODWILL

(continued)

Sensitivity Analysis

The Company prepared a stress testing considering the following scenarios taking into account different discount rates and forecasts projected to a period of 50 years.

For Facilities Management CGU 1, a sensitivity analysis was conducted and the following was noted:

- A decrease in the growth rate of -1.0% would result in a further impairment of $470
- An increase in the discount rate of +0.5% would result in a further impairment of $246.
- A decrease in the inflation rate of -0.5% would result in a further impairment of $246.

For the Facilities Management CGU 2, a sensitivity analysis was conducted and the following was noted:

- Revenue would have to decrease by $162 each year for the impairment model to achieve break even.
- The discount rate would have to increase by 3.21% for the impairment model to achieve break even.
- The Company, having carried out the impairment tests above, concluded that no impairment needed to be recorded for the Facilities Management CGU 2 since the recoverable amount exceeded the carrying amount. However according to the stress test scenarios above the Company would need to record impairment losses if at least one of these scenarios was to occur in isolation.

For the Automotive Garages CGU, a sensitivity analysis was conducted and the following was noted:

- A decrease in the growth rate of -1.00% would result in a further impairment of $620.
- An increase in the discount rate of +0.5% would result in a further impairment of $325.
- A decrease in the inflation rate of -0.5% would result in a further impairment of $325

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as follows:

	2023	2022
Trade payables	591	439
Accrued liabilities	631	678
Accrued payroll and benefits liabilities	189	132
	1,411	**1,249**

11. Share capital

Share capital is as follows:

	2023	2022
Authorised		
9,999,996 (2022 – 9,999,996) shares of par value of $1.00 each	10,000	10,000
Issued and fully paid		
4,922,301 (2022 – 4,922,301) shares	4,922	4,922

Dividends of $492,230 were declared and paid during the years ended March 31, 2023 (2022 -nil).

(Expressed in thousands of Bermuda Dollars)

12. Non-controlling interest

Dividends to non-controlling interests of $107 (2022 - $90) were declared and paid during the year by Otis Elevator (Bermuda) Limited to Otis Elevator Limited. Otis Elevator Limited holds 19.9% ownership and voting rights in Otis Elevator (Bermuda) Limited. For the year ended March 31, 2023 Otis Elevator (Bermuda) Limited reported revenues of $3,266 (2022 - $2,234), net income of $185 (2022 - $435) and net cash flows provided (used) by operating activities of $292 (2022 -$492). The total assets and liabilities of Otis Elevator (Bermuda) Limited as at March 31, 2023 were $2,866 (2022 - $2,746) and $1,837 (2022 - $1,415), respectively.

13. Other income

Rental income from owned and sublet property under operating leases is recognised on a straight-line basis over the term of the lease. Other income includes rental income of $250 (2022 - $228).

Contractual future income from rental properties is as follows:

	2023	**2022**
Less than one year	262	215
Between one and five years	197	376

14. Expenses by nature

Other direct expenses and overheads are classified as follows:

	2023	**2022**
Other staff costs	150	75
Travel & training	34	22
Licenses, taxes & fees	92	92
Insurance	132	124
Professional Fees	402	400
Marketing	33	41
Office expenses	40	47
Finance charges	89	101
Foreign Exchange Losses	6	6
Inventory provision	50	31
Communications	41	35
Computer equipment and support	291	188
Repairs, tools & maintenance	35	9
Utilities	99	97
Vehicle expenses	96	104
	1,590	**1,372**

(Expressed in thousands of Bermuda Dollars)

15. Earnings per share

Basic earnings per share has been calculated by dividing the consolidated income attributable to equity holders of the Company by the weighted average of common shares in issue during the year. The Company has no dilutive potential ordinary shares.

	2023	2022
Income attributable to common shareholders	516	1,052
Average number of common shares outstanding	4,922	4,922
EARNINGS PER SHARE FROM INCOME (LOSS) FOR THE YEAR	**0.10**	**0.21**
EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS	**0.11**	**0.24**

16. Commitments

Capital commitments: There are no commitments for capital expenditure for the fiscal years ended March 31, 2023 or 2022.

Lease commitments: There are no lease commitments for the fiscal years ended March 31, 2023 or 2022.

17. Related parties

A) RELATED PARTY TRANSACTIONS

During the year, BAS Facilities Management provided facilities management services to a company which is a major shareholder. These services were provided in the normal course of business for the consideration amount of $1,952 (2022 - $2,073). As at March 31, 2023, the amount due to BASFM related to those services was $181 (2022 - $305), which is included in accounts receivable.

During the previous year, Otis Elevator (Bermuda) Limited provided elevator installation and modernization on behalf of a company owned by a director on the Group's board. These services were provided in the normal course of business for the consideration amount of $nil (2022 –$14). As at March 31, 2023, the amount due to Otis related to those services was nil (2022 - $17) which is included in accounts receivable.

B) KEY MANAGEMENT

There are no contracts of significance existing during or at the end of the financial year in which a key management person was materially interested, directly or indirectly.

The total interests of all Directors and Officers of the Company as at March 31, 2023 were 257,574 (2022 – 257,574) shares.

Key management compensation paid during the year consists of:

	2023	2022
Short-term employee benefits	804	747
Post- employment benefits	-	-
	804	**747**

(Expressed in thousands of Bermuda Dollars)

18. Segment reporting

The Group has three reportable segments as shown below. The Group's management has identified the operating segments based on the goods and services they provide. The accounting policies of each of the segments are the same as those described in note 2.

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

i. Administrative Services includes mainly the assets and administrative services related to the Group's corporate headquarters which are recharged to other Group entities.

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
YEAR ENDED MARCH 31, 2023				
Revenue from external customers	40	2,828	10,780	**13,648**
Inter-segment revenue	1,550	21	290	**1,861**
Depreciation	416	2	39	**457**
Total operating income (loss)	(1,880)	817	2,389	**1,326**
Total capital expenditure	82	3	80	**165**
Total operating assets	7,005	2,385	7,430	**16,820**
Total operating liabilities	537	63	1,757	**2,357**

	ADMINISTRATIVE SERVICES	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT	TOTAL
YEAR ENDED MARCH 31, 2022				
Revenue from external customers	40	2,802	9,591	**12,433**
Inter-segment revenue	1,425	20	261	**1,706**
Depreciation	424	4	23	**451**
Total operating income (loss)	(1,794)	853	2,536	**1,595**
Total capital expenditure	17	15	50	**82**
Total operating assets	7,309	1,713	7,295	**16,317**
Total operating liabilities	449	58	2,070	**2,577**

FOR THE YEAR ENDED MARCH 31, 2023
(Expressed in thousands of Bermuda Dollars)

18. SEGMENT REPORTING
(continued)

	2023	2022
INCOME		
Total income from for reportable segments	1,326	1,595
Finance costs	(4)	(33)
Impairment loss on goodwill	(760)	(402)
TOTAL GROUP COMPREHENSIVE INCOME	**562**	**1,160**
TOTAL ASSETS		
Total assets for reportable segments	16,820	16,317
Goodwill (note 9)	4,529	5,289
TOTAL GROUP ASSETS	**21,349**	**21,606**
TOTAL LIABILITIES		
Total liabilities for reportable segments	2,357	2,577
TOTAL GROUP LIABILITIES	**2,357**	**2,577**

DIRECTORS

CHAIRMAN
Gail E. M. Miller

Jeffrey G. Conyers
Dennis Fagundo
E. Michael Leverock

SECRETARY
Conyers Corporate Services (Bermuda) Limited

Scott Pearman
Leslie Rans, CPA
Glen Smith

OFFICERS

Navdeep Dhesi, CPA, CMA
Chief Executive Officer
BAS Group of Companies

ADDRESS

BERMUDA AVIATION SERVICES LIMITED

P.O. Box HM 719
Hamilton HM CX
Bermuda

THE BAS BUILDING

19 Bakery Lane
Pembroke HM 07
Bermuda

BAS
GROUP OF COMPANIES

BERMUDA AVIATION SERVICES LIMITED
P.O. Box HM 719
Hamilton HM CX
Tel: 441-299-4889
Fax: 441-293-0513
www.basg.bm
www.bas.bm

BAS FM LTD.
P.O. Box HM 719
Hamilton HM CX
Tel: 441-299-4889
Fax: 441-293-0513

OTIS ELEVATOR COMPANY (BERMUDA), LTD.
P.O. Box HM 1546
Hamilton HM FX
Tel: 441-295-3226
Fax: 441-292-7422
www.otisbermuda.bm

WEIR ENTERPRISES LTD.
P.O. Box HM 1425
Hamilton HM FX
Tel: 441-292-5963
Fax: 441-295-1576