ANNUAL REPORT

2023/24

BAS

GROUP OF COMPANIES

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REPORT
TO SHAREHOLDERS

Bermuda Aviation Services Limited (the "Company") and its subsidiaries (the "Group") report a total comprehensive income of $1.0 million for the year ended March 31, 2024, compared to a comprehensive income of $0.6 million in the prior year.

Revenues from continuing operations were $12.4 million for the year, which is a decrease of $1.3 million over the prior year. Total cost of revenue was $4.7 million, an improvement of $1.3 million; resulting in a gross margin of $7.7 million.

Performance Overview:

This fiscal year, the Group's total operating income was to $1.0 million, which was $0.3 million less than the prior year. This decline was primarily driven by, increased supply chain costs, intensified local competition and rising labor expenses. Our strategic initiatives to identify new revenue streams and optimize internal processes have been instrumental in preserving our resilience and ensuring continued success.

Operational Excellence and Financial Analysis:

Our management team is deeply committed to elevating the company's operational efficiency and financial strength. A key aspect of this endeavor has been identifying elements in our cost basis that can be scaled and continuous monitoring and improvement of internal processes focusingon optimizing profit margins. This is evidenced with an increase in earnings per share to $0.20 compared to $0.10 in the prior year and our strong balance sheet position with $11.1 million in current assets, an increase of $0.7 million. Our unwavering commitment to sound financial management continues to drive us as we strive to maximize value for our shareholders.

Strategic Initiatives:

We have embarked on several strategic initiatives aimed at long-term growth and sustainability. These initiatives include expanding our product portfolio, investing in innovative technologies, and exploring new markets. By diversifying our revenue streams and enhancing our capabilities, we are well-positioned to capitalize on emerging opportunities and drive future growth.

Commitment to Sustainability:

Sustainability remains at the heart of our operations. We are committed to reducing our environmental footprint and promoting responsible business practices. This year, we have made significant strides in implementing sustainable practices across our supply chain and operations. Our goal is to create lasting value not only for our shareholders but also for the communities we serve and the environment we depend on.

Dividends and Shareholder Value:

For the year ended March 31, 2024, 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.

Looking Ahead:

As we move forward, we remain dedicated to further enhancing our operational efficiencies and margin management to adapt to the ever-changing business landscape. Our strategic focus will continue to be on innovation, customer satisfaction, and sustainable growth. We are confident that our strong foundation, combined with our forward-thinking approach, will drive continued success for BAS.

Appreciation:

I would like to extend my heartfelt appreciation to our employees, whose dedication and hard work have been instrumental in our achievements. I also thank our shareholders for their continued trust and support. Together, we will navigate the challenges ahead and seize the opportunities to build a brighter future for BAS.

Gail E. M. Miller
CHAIRMAN

Navdeep Dhesi
CHIEF EXECUTIVE OFFICER

September 5, 2024

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, 2024

Five Year Summary

FOR THE YEAR ENDED MARCH 31 (Expressed in thousands of Bermuda Dollars)	**2024**	**2023**	**2022**	**2021**	**2020**
Revenue from continuing operations	12,387	13,648	12,433	12,546	15,575
Income (loss) from continuing operations	1,005	562	1,160	(310)	(1,299)
Loss from discontinued operations	-	-	-	(784)	(612)
Income (loss) for the year	1,005	562	1,160	(1,094)	(1,911)
Income attributable to non-controlling interests	(11)	(46)	(108)	(139)	(172)
Income (loss) attributable to shareholders of the Company	994	516	1,052	(1,233)	(2,083)
Dividends	492	492	-	-	-

FINANCIAL POSITION AS AT MARCH 31 (Expressed in thousands of Bermuda Dollars)	**2024**	**2023**	**2022**	**2021**	**2020**
Total assets	21,775	21,349	21,606	21,330	33,285
Total liabilities	2,315	2,357	2,577	3,371	14,107
Equity attributable to shareholders of the Company	19,460	18,992	18,767	17,715	18,948

FINANCIAL RATIOS	**2024**	**2023**	**2022**	**2021**	**2020**
Earnings (loss) per share	$0.20	$0.10	$0.21	$(0.25)	$(0.42)
Return on shareholders' equity	5.16%	2.96%	6.10%	(6.09%)	(9.79%)

SHAREHOLDER DATA	**2024**	**2023**	**2022**	**2021**	**2020**
Shares in issue	4,922,301	4,922,301	4,922,301	4,922,301	4,922,301
Book value per share	$3.92	$3.82	$3.81	$3.60	$3.85

AS AT MARCH 31	**2024**	**2023**	**2022**	**2021**	**2020**
Number of employees	83	84	81	81	133

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, 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material 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, 2024, 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 ("ISA"). 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, 2024 goodwill arising from the acquisition of the Automotive Garages and Facilities Management cash generating units ("CGUs") was $4,528,884. During the year ended March 31, 2024, management performed an impairment assessment and concluded that the goodwill was not impaired. The annual goodwill impairment assessment is considered to be a key audit matter due to the complexity	 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 forecasts. We tested the Group's calculations for

of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. This results in an increased risk of error due to estimation uncertainty. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from discounted future cash flow models. The most significant judgements and key 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.	accuracy and the judgements and assumptions that supported the director's conclusions that goodwill was not 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% 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 ISA 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 ISs, 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 Felicia Wilsen.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
September 9, 2024

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

AS AT MARCH 31, 2024

(Expressed in thousands of Bermuda Dollars)

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents (note 4)	4,830	7,413
Fixed term deposit (note 5)	3,000	-
Accounts receivable (notes 6 and 18)	2,491	2,163
Prepaid expenses (note 7)	121	165
Inventories (note 8)	626	589
	11,068	**10,330**
NON-CURRENT ASSETS		
Property, plant and equipment (note 9)	6,178	6,490
Goodwill (note 10)	4,529	4,529
	10,707	**11,019**
TOTAL ASSETS	**21,775**	**21,349**
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (notes 3 and 11)	1,129	1,411
Deferred revenue (note 6)	1,186	946
TOTAL LIABILITIES	**2,315**	**2,357**
EQUITY		
ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
Share capital (note 12)	4,922	4,922
Share premium	12,371	12,371
Retained earnings	2,000	1,498
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	**19,293**	**18,791**
Attributable to non-controlling interests (note 13)	167	201
TOTAL EQUITY	**19,460**	**18,992**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**21,775**	**21,349**

COMMITMENTS (note 17)

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, 2024

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

	2024	2023
Total revenue (note 19)	**12,387**	**13,648**
Total cost of revenue (notes 2 and 8)	(4,751)	(6,038)
GROSS PROFIT	**7,636**	**7,610**
Other income (note 14)	280	250
OPERATING EXPENSES		
Wages and benefits (note 18)	(4,964)	(4,496)
Other direct expenses and overheads (notes 8 and 15)	(1,455)	(1,590)
Depreciation (note 9)	(462)	(457)
TOTAL OPERATING EXPENSES	**(6,881)**	**(6,543)**
Impairment (loss) reversal on trade receivables (note 6)	(23)	9
TOTAL OPERATING INCOME	**1,012**	**1,326**
Finance costs	(7)	(4)
Impairment loss on goodwill (note 10)	-	(760)
TOTAL INCOME FROM CONTINUING OPERATIONS	**1,005**	**562**
TOTAL COMPREHENSIVE INCOME	**1,005**	**562**
INCOME ATTRIBUTABLE TO:		
Shareholders of the Company	994	516
Non-controlling interests (note 13)	11	46
INCOME FOR THE YEAR	**1,005**	**562**
EARNINGS PER SHARE		
Basic and diluted from income for the year (note 16)	0.20	0.10

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, 2024
(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, 2022	**4,922**	**12,371**	**1,474**	**18,767**	**262**	**19,029**
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY						
Dividends to non-controlling interests (note 13)	–	–	–	–	(107)	(107)
Dividends to shareholders (note 12)	–	–	(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**
APRIL 1, 2023	**4,922**	**12,371**	**1,498**	**18,791**	**201**	**18,992**
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY						
Dividends to non-controlling interests (note 13)	–	–	–	–	(45)	(45)
Dividends to shareholders (note 12)	–	–	(492)	(492)	–	(492)
	4,922	**12,371**	**1,006**	**18,299**	**156**	**18,455**
TOTAL COMPREHENSIVE INCOME						
Income for the year	–	–	994	994	11	1,005
MARCH 31, 2024	**4,922**	**12,371**	**2,000**	**19,293**	**167**	**19,460**

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

(Expressed in thousands of Bermuda Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income for the year	1,005	562
ADJUSTMENTS:		
Depreciation (note 9)	462	457
Impairment loss (reversal) on trade receivables (note 6)	23	(9)
Impairment loss on goodwill (note 10)	-	760
CHANGES IN NON-CASH WORKING CAPITAL:		
Accounts receivable (note 6)	(351)	(1,004)
Prepaid expenses (note 7)	44	28
Inventories (note 8)	(37)	(15)
Accounts payable and accrued liabilities (note 11)	(282)	162
Deferred revenue (note 6)	240	(382)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**1,104**	**559**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment in fixed term deposit (note 3)	(3,000)	-
Additions to property, plant and equipment (note 9)	(150)	(165)
NET CASH USED IN INVESTING ACTIVITIES	**(3,150)**	**(165)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests (note 13)	(45)	(107)
Dividends paid to controlling interests (note 12)	(492)	(492)
NET CASH USED IN FINANCING ACTIVITIES	**(537)**	**(599)**
CASH AND CASH EQUIVALENTS		
Decrease during the year	(2,583)	(205)
Beginning of the year	7,413	7,618
END OF THE YEAR	**4,830**	**7,413**

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 5, 2024.

2. Summary of material 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

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 after April 1, 2023 but they do not have a material effect on the Group's consolidated financial statements. These have been listed below:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimate (Amendments to IAS 8)
- Disclosure Initiative: Accounting Policies – Amendments to IAS 1
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements (Amendments to IAS 37)
- General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- Climate-related Disclosures (IFRS S2)

A number of new or amended standards are effective for annual periods beginning after April 1, 2024, 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, except the new presentation and disclosure requirements of IFRS 18:

- Lack of Exchangeability – Amendments to IAS 21
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9
- IFRS 18 Presentation and Disclosure in Financial Statements
- FRS 19 Subsidiaries without Public Accountability: Disclosures
- 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.(2023 - 80.1 percent)

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.

(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

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 issued.

2. SUMMARY OF MATERIAL 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.

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 (contract liabilities) 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, 2024, exchange losses were $7 (2023 - $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.

(Expressed in thousands of Bermuda Dollars)

2. SUMMARY OF MATERIAL 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, 2024 were $161 (2023 - $146). The net pension payable for the Group at March 31, 2024 is $ 22 (2023 - $16).

Q) COST OF REVENUE

The Groups defines cost of revenue to be expenses attributed to customers and projects incurred to generate revenue.

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.

(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 accounts receivable and cash and cash equivalents balances.

(Expressed in thousands of Bermuda Dollars)

3. FINANCIAL RISK MANAGEMENT

A) Financial risk factors (continued)

(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, 2024	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS	TOTAL
Accounts payable (note 11)	394	-	-	-	-	394
	394	**-**	**-**	**-**	**-**	**394**

MARCH 31, 2023	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS	TOTAL
Accounts payable (note 11)	591	-	-	-	-	591
	591	**-**	**-**	**-**	**-**	**591**

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, 2024 the net debt to asset ratio is nil (2023 – nil).

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

(Expressed in thousands of Bermuda Dollars)

3. FINANCIAL RISK MANAGEMENT

C) Fair value estimation (continued)

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, 2024, 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, 2024 and 2023.

4. Cash and cash equivalents

Cash and cash equivalents comprise of cash held in current accounts in the amount of $4,830 (2023 – $7,413).

5. Fixed term deposit

In June 2023 the Group invested $3,000 in a fixed term deposit to be held for a period of 1 year at a rate of 4% (2023 –nil).

6. Accounts receivable and liabilities

Accounts receivable are classified as follows:

	2024	2023
Trade receivables	1,846	1,200
Unbilled revenue on contracts in progress	688	1,011
Less: allowance for doubtful accounts	(43)	(48)
TOTAL ACCOUNTS RECEIVABLE	**2,491**	**2,163**

(Expressed in thousands of Bermuda Dollars)

6. ACCOUNTS RECEIVABLE AND LIABILITIES

(continued)

The aging of current trade accounts receivables at the reporting date was:

	GROSS AMOUNT 2024	WEIGHTED AVERAGE LOSS RATE	IMPAIRED AMOUNT 2024	NET 2024	CREDIT IMPAIRED
Not past due	751	-	-	751	No
1-30 days	543	-	-	543	No
31-60 days	558	-	-	558	No
61-90 days	12	-	-	12	No
More than 90 days	670	6.42%	(43)	627	Yes
	2,534		**(43)**	**2,491**	

	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**	

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

	2024	2023
Opening balance	48	57
Charge (reversal) for the year	23	(9)
Receivables written off during the period as uncollectible	(28)	-
CLOSING BALANCE	**43**	**48**

Deferred Revenue (contract liabilities) of $1,186 (2023 - $946) is derived from the advance consideration received from customers for projects for which revenue is recognised over time. Of the $946 deferred in 2023, $602 was recognized as revenue in 2024. Unbillled Revenue of $688 (2023 - $1,011) is as result of work performed or services provided and not billed at the reporting date.

(Expressed in thousands of Bermuda Dollars)

7. Prepaid expenses

Prepaid expenses are classified as follows:

	2024	2023
Insurance	25	72
Taxes	45	45
Other prepaid expenses	51	48
	121	**165**

8. Inventories

Inventories are classified as follows:

	2024	2023
Automotive parts	622	585
Electrical parts and other	4	4
	626	**589**

Cost of revenue includes expensed inventories in the amount of $995 (2023 - $910).

Other direct expenses and overheads includes write-down of inventories in the amount of $19 (2023 - $50).

Inventories are shown net of a provision for obsolete and slow-moving items in the amount of $nil (2023 - $nil).

(Expressed in thousands of Bermuda Dollars)

9. 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, 2022	11,244	1,177	97	493	13,011
Additions	-	98	-	67	165
MARCH 31, 2023	**11,244**	**1,275**	**97**	**560**	**13,176**
Additions	-	62	-	88	150
MARCH 31, 2024	**11,244**	**1,337**	**97**	**648**	**13,326**
ACCUMULATED DEPRECIATION & IMPAIRMENT					
April 1, 2022	4,600	1,084	97	448	6,229
Depreciation for the year	365	46	-	46	457
MARCH 31, 2023	**4,965**	**1,130**	**97**	**494**	**6,686**
Depreciation for the year	365	49	-	48	462
MARCH 31, 2024	**5,330**	**1,179**	**97**	**542**	**7,148**
CARRYING AMOUNTS					
At April 1, 2022	6,644	93	-	45	**6,782**
At March 31, 2023	6,279	145	-	66	**6,490**
At March 31, 2024	5,914	158	-	106	**6,178**

Property, plant and equipment are reviewed annually for impairment indicators. Management has determined that there was no impairment of property, plant and equipment for the years ended March 31, 2024 or 2023.

(Expressed in thousands of Bermuda Dollars)

10. Goodwill

Goodwill is classified as follows:

	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT		TOTAL
		CGU 1	CGU 2	
GOODWILL				
April 1, 2022	**1,419**	**1,407**	**2,463**	**5,289**
Impairment of goodwill	(528)	(232)	-	(760)
MARCH 31, 2023 AND 2024	891	1,175	2,463	4,529
CARRYING AMOUNTS				
At April 1, 2022	1,419	1,407	2,463	**5,289**
At March 31, 2023 and 2024	891	1,175	2,463	**4,529**

During the year, management conducted impairment tests on the Group's CGUs and determined that goodwill was not 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. The carrying amount of the CGU is not higher than its recoverable amount therefore no impairment loss was recognized. The key assumptions used in the estimation of value in use were as follows:

	2024	2023
Discount rate	11.00%	11.00%
Period	50 years	50 years
Budgeted growth rate	2.00%	2.00%

Cash Flow Assumption
Based on cash flow projections for the year ending March 31, 2025 (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% (2023 – 11.00%) was used based on the estimated weighted-average cost of capital and inflation.

Growth rate
A growth rate of 2.00% (2023 – 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)

10. GOODWILL

(continued)

Sensitivity Analysis
The Group 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:

- Revenue would have to decrease by $351 each year for the impairment model to achieve break even.
- The discount rate would have to increase by 9.63% for the impairment model to achieve break even.
- The Group, having carried out the impairment tests above, concluded that no impairment needed to be recorded for the Facilities Management CGU 1 since the recoverable amount exceeded the carrying amount. However according to the stress test scenarios above the Group would need to record impairment losses if at least once of these scenarios was to occur in isolation.

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

- Revenue would have to decrease by $61 each year for the impairment model to achieve break even.
- The discount rate would have to increase by 1.45% for the impairment model to achieve break even.
- The Group 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 Group would need to record impairment losses if at least once of these scenarios was to occur in isolation.

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

- Revenue would have to decrease by $101 each year for the impairment model to achieve break even.
- The discount rate would have to increase by 1.73% for the impairment model to achieve break even.
- The Group, having carried out the impairment tests above, concluded that no impairment needed to be recorded for the Automotive Garages CGU since the recoverable amount exceeded the carrying amount. However according to the stress test scenarios above the Group would need to record impairment losses if at least once of these scenarios was to occur in isolation.

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as follows:

	2024	2023
Trade payables (note 3)	394	591
Accrued liabilities	576	631
Accrued payroll and benefits liabilities	159	189
	1,129	**1,411**

(Expressed in thousands of Bermuda Dollars)

12. Share capital

Share capital is as follows:

	2024	2023
Authorised		
9,999,996 (2023 – 9,999,996) shares of par value of $1.00 each	10,000	10,000
Issued and fully paid		
4,922,301 (2023– 4,922,301) shares	4,922	4,922

Dividends of $492 were declared and paid during the year ended March 31, 2024 (2023 -$492).

13. Non-controlling interest

Otis Elevator (Bermuda) Limited is a subsidiary of the group. Otis Elevator Limited holds 19.9% ownership and voting rights in Otis Elevator (Bermuda) Limited. The following is attributed to Otis Elevator (Bermuda) Limited:

	2024	2023
Dividends paid to non-controlling interests	45	107
Revenues attributed to Otis Elevator (Bermuda) Limited	2,096	3,266
Net income	118	185
Net cash flows used by operating activities	406	292
Total assets	1,956	2,866
Total liabilities	1,039	1,837

14. 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 $280 (2023 - $250).

Contractual future income from rental properties is as follows:

	2024	2023
Less than one year	204	262
Between one and five years	-	197

(Expressed in thousands of Bermuda Dollars)

15. Other direct expenses and overheads

Other direct expenses and overheads are classified as follows:

	2024	2023
Professional fees	356	402
Computer equipment and support	206	291
Other staff costs	156	150
Insurance	130	132
Vehicle expenses	101	96
Licenses, taxes & fees	96	92
Utilities	94	99
Finance charges	81	89
Repairs, tools & maintenance	67	35
Office expenses	44	40
Marketing	41	33
Communications	36	41
Travel & training	21	34
Inventory provision	19	50
Foreign exchange losses	7	6
	1,455	**1,590**

16. 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.

	2024	2023
Income attributable to common shareholders	994	516
Average number of common shares outstanding	4,922	4,922
EARNINGS PER SHARE FROM INCOME FOR THE YEAR	**0.20**	**0.10**

(Expressed in thousands of Bermuda Dollars)

17. Commitments

Capital commitments: There are no commitments for capital expenditure for the fiscal years ended March 31, 2024 or 2023.

Lease commitments: There are no lease commitments for the fiscal years ended March 31, 2024 or 2023.

18. Related parties

A) RELATED PARTY TRANSACTIONS

During the year, BAS Facilities Management (BASFM) 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 $2,031 (2023 - $1,952). As at March 31, 2024 the amount due to BASFM related to those services was $349 (2023 - $181), 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, 2024 were 257,574 (2023 – 257,574) shares.

Key management compensation paid during the year consists of:

	2024	2023
Short-term employee benefits	936	804
Post- employment benefits	-	-
	936	**804**

(Expressed in thousands of Bermuda Dollars)

19. 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 and external customers.

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, 2024				
Revenue from external customers	40	3,103	9,244	**12,387**
Inter-segment revenue	1,559	25	236	**1,820**
Depreciation	422	3	37	**462**
Total operating (loss) income	(304)	802	507	**1,005**
Total capital expenditure	129	4	17	**150**
Total operating assets	9,764	1,973	5,509	**17,246**
Total operating liabilities	410	65	1,840	**2,315**

	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 (loss) income	(1,884)	817	2,389	**1,322**
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**

20. Audit Fees

The audit fees for the year ended March 31,2024 for services rendered by KPMG are agreed to be $118 (2023 -$122).

DIRECTORS

CHAIRMAN
Gail E. M. Miller

DEPUTY CHAIRMAN
E. Michael Leverock

SECRETARY
Conyers Corporate Services (Bermuda) Limited

Jeffrey G. Conyers
Dennis Fagundo
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
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