BAS

GROUP OF COMPANIES

ANNUAL REPORT

2021 - 2022

CONTENTS

Report to Shareholders

Bermuda Aviation Services Limited (the "Company") and its subsidiaries (the "Group") report a total comprehensive income of $1.2 million for the year ended March 31, 2022, compared to a comprehensive loss of $1.1 million in the prior year. An impairment charge of $0.4 million on goodwill was recognized during the year which is reflected in the total comprehensive income for the year.

Revenues from continuing operations were $12.4 million for the year, which is a decrease of $0.1 million over prior year. Total cost of revenue was $4.8 million, an increase of $0.2 million; resulting in a gross margin of $7.6 million compared to $7.9 million in the prior year.

Total operating expenses from continuing operations decreased by $0.3 million year over year. Management's efforts to reduce operating expenses have been realised through all expense categories.

Management has made several operational improvements which include detailed financial analysis with an emphasis on improving profit margins. The Group is committed to enhancing customers' experiences by improving the quality of service and broadening product offerings to differentiate from our competitors. The Group is also focused on continuous training and employee engagement to create a harmonious and positive working environment for its employees.

Total operating income for the Group is $1.6 million for the current year compared to $1.5 million in the prior year. The Group has been focusing on new revenue opportunities while realising operating efficiencies through improvements in internal processes and margin management.

The Company is pleased to announce that the Board of Directors approved a special dividend of $0.10 per share on August 18, 2022. This dividend reflects the Company's strong balance sheet position, while maintaining a secure financial position for the Group.

BAS Facilities Management Ltd. ("BASFM") has had a successful year providing facilities management services including facilities operational support and various project management services for commercial clients in Bermuda. BASFM have continued to trust its teams with the management of the facilities and to assist with ways to make their buildings more energy efficient and reduce their carbon footprint.

Otis Elevators continues to provide comprehensive maintenance to its customers to ensure their elevators are operating in a safe and effective manner. Management is focused on proactively servicing client elevators while making recommendations to replace or upgrade these key assets when they are showing signs of aging. The company also continues to focus on training, in partnership with the Bermuda Government Department of Workforce Development.

Weir Enterprises has performed well despite the increase in local competition and the difficultly sourcing parts in the current supply chain climate. The company remains committed to providing high quality service with excellent customer service and competitive pricing.

Management continues to monitor operations and seek new revenue opportunities. The Company is committed to evolving with the changing needs of its customers and look for ways to increase shareholder value.

We take this opportunity to thank management and employees across the Group who together have contributed to the successful year. We would also like to thank our clients and shareholders for their continued loyalty and trust.

David W. Pugh
CHAIRMAN

Navdeep Dhesi
CHIEF EXECUTIVE OFFICER

August 18, 2022

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, 2022

FINANCIAL HIGHLIGHTS

Five Year Summary

FOR THE YEAR ENDED MARCH 31 (Expressed in thousands of Bermuda Dollars)	2022	2021	2020	2019	2018*
Revenue from continuing operations	12,433	12,546	15,575	14,905	30,687
Income (loss) from continuing operations	1,160	(310)	(1,299)	534	(3,829)
Loss from discontinued operations	–	(784)	(612)	(182)	(1,115)
Income (loss) for the year	1,160	(1,094)	(1,911)	352	(4,944)
(Income) loss attributable to non-controlling interests	(108)	(139)	(172)	(157)	(157)
Income (loss) attributable to shareholders of the Company	1,052	(1,233)	(2,083)	195	(5,101)
Dividends	–	–	–	–	492

FINANCIAL POSITION AS AT MARCH 31 (Expressed in thousands of Bermuda Dollars)	2022	2021	2020	2019	2018
Total assets	21,606	21,330	33,285	32,702	34,174
Total liabilities	2,577	3,371	14,107	11,016	12,568
Equity attributable to shareholders of the Company	18,767	17,715	18,948	21,285	21,090

FINANCIAL RATIOS	2022	2021	2020	2019	2018
Earnings (loss) per share	$0.21	$(0.25)	$(0.42)	$0.04	$(1.04)
Return on shareholders' equity	6.09%	(6.09%)	(9.79%)	0.94%	(19.26%)

SHAREHOLDER DATA	2022	2021	2020	2019	2018
Shares in issue	4,922,301	4,922,301	4,922,301	4,922,301	4,922,301
Book value per share	$3.81	$3.60	$3.85	$4.32	$4.20

AS AT MARCH 31	2022	2021	2020	2019	2018
Number of employees	81	81	133	161	151

*2018 includes the financial results of The CCS Group Ltd and CCS Group Sucursal EM Portugal.

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 authorised to rely upon the report of KPMG unless KPMG expressly so authorises. Furthermore, the report of KPMG is as at August 18, 2022, and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Bermuda Aviation Services Limited and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

KPMG

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Report to Shareholders but does not include the 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 an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
August 18, 2022

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

AS AT MARCH 31, 2022
(Expressed in thousands of Bermuda Dollars)

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents (note 4)	7,618	5,798
Accounts receivable (notes 5 and 18)	1,150	1,887
Prepaid expenses (note 6)	193	209
Inventories (note 7)	574	594
	9,535	8,488
NON-CURRENT ASSETS		
Property, plant and equipment (note 8)	6,782	7,151
Intangible assets and goodwill (note 9)	5,289	5,691
	12,071	12,842
TOTAL ASSETS	**21,606**	**21,330**
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 10)	1,249	1,092
Deferred revenue	1,328	665
Bank loan (note 11)	-	1,131
	2,577	2,888
NON-CURRENT LIABILITIES		
Bank loan (note 11)	-	483
TOTAL LIABILITIES	2,577	3,371
EQUITY		
ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
Share capital (note 12)	4,922	4,922
Share premium	12,371	12,371
Retained earnings	1,474	422
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	18,767	17,715
Attributable to non-controlling interests (note 13)	262	244
TOTAL EQUITY	19,029	17,959
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**21,606**	**21,330**

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, 2022

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

	2022	2021
CONTINUING OPERATIONS		
Total revenue	12,433	12,546
Total cost of revenue	(4,803)	(4,634)
GROSS PROFIT	**7,630**	**7,912**
Other income (note 14)	228	273
OPERATING EXPENSES		
Wages and benefits (note 18)	4,397	4,647
Other direct expenses and overheads	1,372	1,404
Depreciation (note 8)	451	495
TOTAL OPERATING EXPENSES	**6,220**	**6,546**
Gain on sale of vehicle	-	8
Impairment loss on trade receivables (note 5)	(43)	(121)
TOTAL OPERATING INCOME	**1,595**	**1,526**
Finance costs (note 11)	(33)	(268)
Impairment loss on property, plant and equipment (note 8)	-	(561)
Impairment loss on goodwill (note 9)	(402)	(1,007)
TOTAL INCOME (LOSS) FROM CONTINUING OPERATIONS	**1,160**	**(310)**
Loss from discontinued operations (note 15)	-	(784)
TOTAL COMPREHENSIVE INCOME (LOSS)	**1,160**	**(1,094)**
INCOME (LOSS) ATTRIBUTABLE TO:		
Shareholders of the Company	1,052	(1,233)
Non-controlling interests (note 13)	108	139
INCOME (LOSS) FOR THE YEAR	**1,160**	**(1,094)**
INCOME (LOSS) PER SHARE		
Basic and diluted from income (loss) for the year (note 16)	0.21	(0.25)
Basic and diluted from discontinued operations (note 16)	-	(0.16)
Basic and diluted from continuing operations (note 16)	0.24	(0.06)

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, 2022
(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, 2020	**4,922**	**12,371**	**1,655**	**18,948**	**230**	**19,178**
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY						
Dividends to non-controlling interests (note 13)	–	–	–	–	(125)	(125)
	4,922	**12,371**	**1,655**	**18,948**	**105**	**19,053**
TOTAL COMPREHENSIVE INCOME						
Income (loss) for the year	–	–	(1,233)	(1,233)	139	(1,094)
MARCH 31, 2021	**4,922**	**12,371**	**422**	**17,715**	**244**	**17,959**
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 13)	–	–	–	–	(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**

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

CONSOLIDATED STATEMENT OF
CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022
(Expressed in thousands of Bermuda Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income for the year	1,160	(1,094)
ADJUSTMENTS:		
Depreciation (note 8)	451	495
Finance costs (note 11)	33	268
Loss on sale of subsidiary	-	212
Gain on sale of vehicle	-	(8)
Impairment loss on asset	-	561
Impairment loss on trade receivables (note 5)	43	121
Impairment loss on goodwill (note 9)	402	1,007
CHANGES IN NON-CASH WORKING CAPITAL:		
Accounts receivable (note 5)	694	494
Prepaid expenses (note 6)	16	(90)
Inventories (note 7)	20	(1)
Accounts payable and accrued liabilities (note 10)	157	(598)
Deferred revenue	663	161
Assets and liabilities held-for-sale disposed, net (note 15)	-	(641)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**3,639**	**887**
CASH FLOWS FROM INVESTING ACTIVITIES		
(Additions to) disposal of property, plant and equipment, net (note 8)	(82)	26
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(82)**	**26**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests (note 13)	(90)	(125)
Net proceeds from sale of subsidiary (note 15)	-	3,000
Repayment of bank loan (note 11)	(1,614)	(3,014)
Finance costs (note 11)	(33)	(268)
NET CASH USED IN FINANCING ACTIVITIES	**(1,737)**	**(407)**
CASH AND CASH EQUIVALENTS		
Increase during the year	1,820	506
Beginning of the year	5,798	5,292
END OF THE YEAR	**7,618**	**5,798**

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 August 18, 2022.

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.

On March 11, 2020, the World Health Organization officially declared the outbreak of COVID-19 a global pandemic. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy and general population. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on future financial performance of the Group, or to provide a quantitative estimate of this impact which could potentially be significant.

However, 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 judgements.

(i) Judgements

Those judgements which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items, as follows:

Notes 2.I and 8	Property, plant and equipment: whether the Group will continue to recognise the BAS Building at fair value less cost to sell or value in use.

(Expressed in thousands of Bermuda Dollars)

2. Summary of significant accounting policies; B) Significant accounting judgements, estimates and assumptions (continued)

(ii) 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

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, 2021 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, 2022 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)
- Amendments to IFRS 17
- 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 all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are de-consolidated from the date that control ceases.

2. Summary of significant accounting policies; D) Consolidation (continued)

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. On June 30, 2020, the Company's wholly owned subsidiary Bermuda Energy Services Company Ltd. ("BESCO") was amalgamated with BASFM. All subsidiaries are registered in Bermuda.

Following its disposal on July 27, 2020, CCS was classified as a discontinued operation in the comparative year ended March 31, 2021 (note 15).

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
Bank loan	Other financial liabilities
Accounts payable	Other financial liabilities

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.

(Expressed in thousands of Bermuda Dollars)

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.

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 realisable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. 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.

As explained in note 8, the Company's BAS Building was carried at fair value less costs to sell as at March 31, 2021, and the valuation of this property was a critical accounting estimate in the Company's 2021 financial statements. The Directors appointed an independent valuer to perform the valuation and to provide his opinion as to the fair value of the properties as at October 19, 2020. As at March 31, 2022, the building is no longer listed for sale and the building has been further depreciated during the year then ended as explained in note 8.

The BAS Building was valued in accordance with guidance contained within the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards 2020 (the "Red Book Global"). The valuations are primarily based on the income approach. The rationale for using the income approach is that the building has a high degree of tenancy and income stream and this is viewed as the most robust and logical approach. In addition, there have been very few transactions in the Bermuda real estate market over the past few years of similar large income-producing properties that would be considered comparable for market value purposes. As a result of the lack of such comparable sales, the valuation of Bermuda real estate is subject to a higher degree of uncertainty than may otherwise be the case in more active markets.

Further information on the valuation and the sensitivities of the valuation to changes in assumptions is given in note 8.

At the valuation date, the Valuer included a statement in his report whereby he draws attention to a material uncertainty surrounding the valuation of the BAS Building due to the unprecedented set of circumstances caused by the Covid-19 pandemic. This is not intended by the Valuer to suggest that his valuations cannot be relied upon, but to indicate that less certainty, and a higher degree of caution, should be ascribed to the valuations than would normally be the case.

J) INTANGIBLE ASSETS AND GOODWILL

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets and goodwill acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets and goodwill are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life using the straight-line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods for an intangible asset with a finite useful life are reviewed at the end of each reporting period.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 until the contracts are completed or the products and services are delivered.

N) BANK LOAN

Loans are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost. Any difference between the proceeds and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the loan using the effective interest method.

O) 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, 2022, exchange losses were $6 (2021 - $7).

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.

P) 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. 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.

2. Summary of significant accounting policies; P) Revenue recognition (continued)

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.

Q) 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, 2022 were $125 (2021 - $128).

R) 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 (2021 – $11).

S) 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 prior year, the Group was not exposed to interest risk as interest was incurred on the bank loan at a fixed rate of 5.35% (note 11). In the current year, the bank loan has been repaid and as a result 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 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:

(Expressed in thousands of Bermuda Dollars)

3. Financial risk management; A) Financial risk factors (continued)

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**

MARCH 31, 2021	6 MONTHS OR LESS	6-12 MONTHS	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS	TOTAL
Bank loan	595	595	490	-	-	1,680
Accounts payable	355	-	-	-	-	355
	950	**595**	**490**	**-**	**-**	**2,035**

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, 2022, the net debt to asset ratio is nil (2021 – 0.08).

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, current accounts receivable, accounts payable and the bank loan 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. The fair value of the BAS Building as at March 31, 2021 (note 8) was derived from observable market inputs when possible, but where this is not feasible, a degree of judgement is required in establishing fair values. 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, 2022, 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, 2022 and 2021.

(Expressed in thousands of Bermuda Dollars)

4. Cash and cash equivalents

Cash and cash equivalents comprise of cash held in current accounts in the amount of $7,618 (2021 – $5,798).

5. Accounts receivable

Accounts receivable are classified as follows:

	2022	2021
Trade receivables – current portion	934	1,575
Less: allowance for doubtful accounts	(57)	(56)
Net trade receivables – current portion	877	1,519
Unbilled revenue on contracts in progress	273	368
TOTAL ACCOUNTS RECEIVABLE	**1,150**	**1,887**

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

	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	20.13%	(57)	229	Yes
	1,207		**(57)**	**1,150**	

	GROSS AMOUNT 2021	WEIGHTED AVERAGE LOSS RATE	IMPAIRED AMOUNT 2021	NET 2021	CREDIT IMPAIRED
Not past due	671	-	-	671	No
1-30 days	658	-	-	658	No
31-60 days	238	-	-	238	No
61-90 days	69	-	-	69	No
More than 90 days	307	18.26%	(56)	251	Yes
	1,943		**(56)**	**1,887**	

(Expressed in thousands of Bermuda Dollars)

5. Accounts receivable (continued)

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

	2022	2021
Opening balance	56	43
Charge for the year	43	102
Receivables written off during the period as uncollectible	(42)	(89)
CLOSING BALANCE	**57**	**56**

6. Prepaid expenses

Prepaid expenses are classified as follows:

	2022	2021
Insurance	81	100
Taxes	41	51
Other prepaid expenses	71	58
	193	**209**

7. Inventories

Inventories are classified as follows:

	2022	2021
Automotive parts	558	581
Electrical parts and other	16	13
	574	**594**

Cost of revenue includes expensed inventories in the amount of $867 (2021 - $891).

Other direct expenses and overheads includes write-down of inventories in the amount of $5 (2021 - $40).

Inventories are shown net of a provision for obsolete and slow-moving items in the amount of $nil (2021 - $2).

(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, 2020	11,244	1,551	97	452	13,344
Additions	-	8	-	18	26
Disposals and retirements	-	(392)	-	-	(392)
MARCH 31, 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**
ACCUMULATED DEPRECIATION & IMPAIRMENT					
April 1, 2020	3,295	1,379	97	357	5,128
Depreciation for the year					
Continuing operations	379	76	-	40	495
Impairments	561	-	-	-	561
Disposals and retirements	-	(357)	-	-	(357)
MARCH 31, 2021	**4,235**	**1,097**	**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**
CARRYING AMOUNTS					
At April 1, 2020	7,949	172	-	95	**8,216**
At March 31, 2021	7,009	69	-	73	**7,151**
At March 31, 2022	6,644	93	-	45	**6,782**

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, 2022

During the year ended March 31, 2021, the Company reviewed its strategic plan and listed one of its properties for sale. The plan to dispose of this asset resulted in an assessment of the asset's recoverable amount being its fair value less costs to sell as at March 31, 2021. As the asset's carrying amount exceeded its recoverable amount, an impairment of $561 was recognized in the consolidated statement of comprehensive income for the year ended March 31, 2021 to write down the asset to its estimated recoverable amount of $3,795. During the year ended March 31, 2022 the property was delisted and continues to be used by the Company. Depreciation of $321 was charged on the property for the year ended March 31, 2022. The Company has concluded that here is no further impairment of the building based on its current carrying value of $3,474 as at March 31, 2022.

(Expressed in thousands of Bermuda Dollars)

9. Goodwill

Goodwill is classified as follows:

	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT		INFRASTRUCTURE DEVELOPMENT	TOTAL
		CGU 1	CGU 2		
GOODWILL					
April 1, 2020	**1,942**	**1,407**	**3,349**	**2,771**	**9,469**
De-recognition from sale of subsidiary (note 15)	-	-	-	(2,771)	**(2,771)**
Impairment of goodwill	(121)	-	(886)	-	(1,007)
MARCH 31, 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**
CARRYING AMOUNTS					
At April 1, 2020	1,942	1,407	3,349	2,771	**9,469**
At March 31, 2021	1,821	1,407	2,463	-	**5,691**
At March 31, 2022	1,419	1,407	2,463	-	**5,289**

During the year, management conducted impairment tests on the Group's CGUs and determined that goodwill was impaired for the Automotive Garages CGU. 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 was determined to be lower than its recoverable amount and an impairment loss of $402 was recognised.

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

	2022	2021
Discount rate	10.67%	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 ended March 31, 2023 (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 labor to generate revenues.

Discount rate
A discount rate of 10.67% (2021 – 10.67%) was used based on the estimated weighted-average cost of capital.

Growth rate
A growth rate of 2.00% (2021 - 2.00%) was used, which represents management's assessment of future growth.

(Expressed in thousands of Bermuda Dollars)

9. Goodwill (continued)

Time
Management elected to use a period of 50 years, at the end of which the terminal value would be the initial value of operating net assets.

Sensitivity Analysis
The Company prepared a stress test 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 $45 each year for the impairment model to achieve break even.
- The discount rate would have to increase by 1.0% 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 1 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 Facilities Management CGU 2, a sensitivity analysis was conducted and the following was noted:

- Revenue would have to decrease by $87 each year for the impairment model to achieve break even.
- The discount rate would have to increase by 2.0% 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% would result in a further impairment of $630.
- An increase in the discount rate of +0.5% would result in a further impairment of $330.
- A decrease in the inflation rate of -0.5% would result in a further impairment of $330.

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are classified as follows:

	2022	**2021**
Trade payables	439	355
Accrued liabilities	678	501
Accrued payroll and benefits liabilities	132	236
	1,249	**1,092**

(Expressed in thousands of Bermuda Dollars)

11. Bank loan

The bank loan matures in September 2022 and is repayable in equal blended monthly instalments of principal and interest of $99. The bank loan bears interest at 5.35% (2021 – 5.35%).

Total interest expense in relation to the bank loan was $27 for the year ended March 31, 2022 (2021 - $215) and is included in finance costs in the consolidated statement of comprehensive income.

The remaining bank loan of $1,614 as at March 31, 2021 was paid off in full on August 31, 2021.

12. Share capital

Share capital is as follows:

	2022	2021
Authorised		
9,999,996 (2021 - 9,999,996) shares of par value of $1.00 each	10,000	10,000
Issued and fully paid		
4,922,301 (2021 - 4,922,301) shares	4,922	4,922

No dividends were declared and paid during the years ended March 31, 2022 and March 31, 2021.

13. Non-controlling interest

Dividends to non-controlling interests of $90 (2021 - $125) were declared and paid during the year by a subsidiary.

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 $228 (2021 - $273).

Contractual future income from rental properties is as follows:

	2022	2021
Less than one year	215	215
Between one and five years	376	591

FOR THE YEAR ENDED MARCH 31, 2022
(Expressed in thousands of Bermuda Dollars)

15. Discontinued operations

On July 27, 2020, CCS, a wholly owned subsidiary, was disposed of and its operations were reclassified and presented as discontinued operations for the year ended March 31, 2021.

The results attributed to CCS are as follows:

	2022	2021
Revenue from external customers	-	3,381
Inter-segment revenue	-	18
Expenses	-	(3,568)
Depreciation	-	(56)
Loss on sale of subsidiary	-	(212)
Transaction costs	-	(347)
Loss from discontinued operations	**-**	**(784)**
Total capital expenditure	-	-
Total operating assets	-	-
Total operating liabilities	-	-

The net cash flows reported by CCS are as follows:

	2022	2021
Operating activities	-	(716)
Investing activities	-	-
Financing activities	-	-
NET CASH INFLOW (OUTFLOW)	**-**	**(716)**

16. Earnings (loss) per share

Basic earnings per share has been calculated by dividing the consolidated income (loss) 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.

	2022	2021
Income (loss) attributable to common shareholders	1,052	(1,233)
Average number of common shares outstanding	4,922	4,922
EARNINGS (LOSS) PER SHARE FROM INCOME (LOSS) FOR THE YEAR	**0.21**	**(0.25)**
EARNINGS (LOSS) PER SHARE FROM DISCONTINUED OPERATIONS	**-**	**(0.16)**
EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS	**0.24**	**(0.06)**

(Expressed in thousands of Bermuda Dollars)

17. Commitments

Capital commitments:
There are no commitments for capital expenditure for the fiscal years ended March 31, 2022 or 2021.

Lease commitments:
There are no lease commitments for the fiscal years ended March 31, 2022 or 2021.

18. Related parties

A) RELATED PARTY TRANSACTIONS

During the year, 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 $2,073 (2021 - $1,534). As at March 31, 2022, the amount due to BASFM related to those services was $305 (2021 - $157), which is included in accounts receivable.

During the year, Otis 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 $14 (2021 –$600). As at March 31, 2022, the amount due to Otis related to those services was $17 (2021 - $81) 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 BAS as at March 31, 2022 were 257,574 (2021 – 257,574) shares.

Key management compensation paid during the year consists of:

	2022	**2021**
Salaries and benefits	747	900
Termination benefits	–	–
	747	**900**

(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 services related to the Group's corporate headquarters.

ii. Automotive Garages includes the distribution of automotive parts and services.

iii. Facilities Management includes elevator maintenance and installation, property management and maintenance, customised electrical, generator and fire detection solutions.

	ADMINISTRATIVE SERVICES	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT	TOTAL
YEAR ENDED MARCH 31, 2022				
Revenue from external customers	40	2,802	9,853	**12,695**
Inter-segment revenue	1,425	20	261	**1,706**
Depreciation	424	4	23	**451**
Income (loss)	(2,022)	853	2,536	**1,367**
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**

	ADMINISTRATIVE SERVICES	AUTOMOTIVE GARAGES	FACILITIES MANAGEMENT	TOTAL
YEAR ENDED MARCH 31, 2021				
Revenue from external customers	61	2,798	9,696	**12,555**
Inter-segment revenue	1,776	14	236	**2,026**
Depreciation	426	4	65	**495**
Income (loss)	(2,635)	978	2,349	**692**
Total capital expenditure	26	-	-	**26**
Total operating assets, restated	8,222	1,664	5,753	**15,639**
Total operating liabilities	509	50	1,198	**1,757**

FOR THE YEAR ENDED MARCH 31, 2022
(Expressed in thousands of Bermuda Dollars)

19. Segment reporting (continued)

	2022	2021
INCOME (LOSS)		
Total income from for reportable segments	1,367	692
Other income	228	273
Finance costs	(33)	(268)
Impairment loss on goodwill	(402)	(1,007)
Loss from discontinued operations (note 15)	-	(784)
TOTAL GROUP COMPREHENSIVE INCOME	**1,160**	**(1,094)**
TOTAL ASSETS		
Total assets for reportable segments	16,317	15,639
Intangible assets and goodwill (note 10)	5,289	5,691
TOTAL GROUP ASSETS	**21,606**	**21,330**
TOTAL LIABILITIES		
Total liabilities for reportable segments	2,577	1,757
Bank loan	-	1,614
TOTAL GROUP LIABILITIES	**2,577**	**3,371**

20. Subsequent events

On April 22, 2022, dividends to non-controlling interests (note 13) were declared by a subsidiary in the amount of $35. These dividends have not been recognised as a liability as at March 31, 2022.

On August 18, 2022 dividends to shareholders of the Company were declared in the amount of $492 or $0.10 per share. These dividends have not yet been paid nor have been recognized as a liability as at March 31, 2022.

Subsequent events to August 18, 2022 have been considered by management for potential recognition or disclosure in the notes to the consolidated financial statements.

DIRECTORS

Chairman
David W. Pugh, FCA

Deputy Chairman
Gail E.M. Miller

Secretary
Conyers Corporate Services (Bermuda) Limited

Jeffrey G. Conyers
Dennis Fagundo
E. Michael Leverock
Scott Pearman
Leslie Rans, CPA
Glen Smith

OFFICERS

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

MANAGEMENT

Jeff Cook
General Manager
Weir Enterprises Ltd.

Christopher Wright
General Manager
Bermuda Facilities Management Ltd.

Steven Douglas
General Manager
Otis Bermuda Ltd.

Chantelle Berkeley, CPA
Group Finance Manager
BAS Group of Companies

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GROUP OF COMPANIES