



SIX-MONTH REPORT

SEPTEMBER 30, 2021

Report to Shareholders

Financial Results

Bermuda Aviation Services Limited (the Company) and its subsidiaries (the Group) reported net income from continuing operations of \$0.7 million for the six months ended September 30, 2021, compared to \$0.5 million over the comparative period to September 2020; an increase of \$0.2 million. The Company's net income from continuing operations has increased despite the intermittent government-imposed shutdown of operations of certain sectors of the economy due to Covid-19.

Total comprehensive income attributable to shareholders of the Company was \$0.7 million for the six months ended September 30, 2021, in comparison to a loss of \$0.3 million for the comparative period to September 2020.

Revenues from continuing operations were \$5.7 million for the period, a \$0.6 million decrease versus the comparative period, due to lower revenues for new construction elevators. Total cost of revenue was \$2.0 million, a decrease of \$0.3 million, resulting in gross margin of \$3.7 million compared to \$4.0 million in the comparative period. Margins are continuing to be affected by competition across various business lines and increasing costs of materials and shipping.

Total operating expenses were \$3.1 million for the period, a decrease of \$0.3 million compared to the comparative period. Management has reduced expenses throughout the Group and continues to find efficiencies at the subsidiary level.

Subsequent to the year end and in an effort to strengthen the balance sheet, the Company has fully paid off the remaining bank loan of \$1.6 million. Earnings per share from continuing operations was \$0.15 per share compared to prior year of \$0.02 per share. The Company did not declare or pay dividends during the period ended September 30, 2021, as the Board of Directors considered it prudent to instead strengthen the balance sheet and financial position of the Group.

Our priority during the global Covid-19 pandemic was to ensure the safety and health of our staff, while continuing to provide excellent service to our customers. The Company continues to monitor the operations of the group and to support our customers through the effects of Covid-19. The Board of Directors and Management would like thank all of the Company's employees for all their continued hard work and dedication during these unprecedented times.



David W. Pugh, FCA
CHAIRMAN



Navdeep Dhesi, CPA, CMA
CHIEF OPERATING & FINANCE OFFICER

November 18, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited) AS AT SEPTEMBER 30, 2021
(Expressed in thousands of Bermuda Dollars)

	UNAUDITED SEPTEMBER 30 2021	AUDITED MARCH 31 2021
CURRENT ASSETS		
Cash and cash equivalents	5,603	5,798
Accounts receivable	3,278	1,887
Prepaid expenses	155	209
Inventories	563	594
	9,599	8,488
NON-CURRENT ASSETS		
Property, plant and equipment	6,928	7,151
Goodwill	5,691	5,691
	12,619	12,842
TOTAL ASSETS	22,218	21,330
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	829	1,092
Deferred revenue	2,780	665
Bank loan	-	1,131
	3,609	2,888
NON-CURRENT LIABILITIES		
Bank loan	-	483
TOTAL LIABILITIES	3,609	3,371
EQUITY		
ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		
Share capital	4,922	4,922
Share premium	12,371	12,371
Retained earnings	1,101	422
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	18,394	17,715
Attributable to non-controlling interests	215	244
TOTAL EQUITY	18,609	17,959
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,218	21,330

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021 and 2020
(Expressed in thousands of Bermuda Dollars except earnings per share data)

	UNAUDITED SEPTEMBER 30 2021	UNAUDITED SEPTEMBER 30 2020
CONTINUING OPERATIONS		
Total revenue	5,731	6,372
Total cost of revenue	(2,036)	(2,384)
GROSS PROFIT	3,695	3,988
Other income	111	116
OPERATING EXPENSES		
Wages and benefits	(2,172)	(2,361)
Other direct expenses and overheads	(652)	(735)
Depreciation	(228)	(250)
TOTAL OPERATING EXPENSES	(3,052)	(3,346)
Finance costs	(32)	(174)
Impairment loss on trade receivables	-	(51)
TOTAL INCOME FROM CONTINUING OPERATIONS	722	533
Loss from discontinued operations (note 3)	-	(784)
TOTAL COMPREHENSIVE INCOME (LOSS)	722	(251)
INCOME (LOSS) ATTRIBUTABLE TO:		
Shareholders of the Company	679	(316)
Non-controlling interests	43	65
INCOME (LOSS) FOR THE PERIOD	722	(251)
EARNINGS (LOSS) PER SHARE		
Basic and diluted from income (loss) for the period	0.15	(0.06)
Basic and diluted from discontinued operations	-	(0.05)
Basic and diluted from continuing operations	0.15	0.02

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of Bermuda Dollars)

	ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				NON- CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL		
APRIL 1, 2020	4,922	12,371	1,655	18,948	230	19,178
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY						
Dividends to non-controlling interests	-	-	-	-	(57)	(57)
	4,922	12,371	1,655	18,948	173	19,121
TOTAL COMPREHENSIVE INCOME						
(Loss) income for the period	-	-	(316)	(316)	65	(251)
SEPTEMBER 30, 2020	4,922	12,371	1,338	18,631	239	18,870
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	-	-	-	-	(72)	(72)
	4,922	12,371	422	17,715	172	17,887
TOTAL COMPREHENSIVE INCOME						
Income (loss) for the period	-	-	679	679	43	722
SEPTEMBER 30, 2021	4,922	12,371	1,101	18,394	215	18,609

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited) FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of Bermuda Dollars)

	UNAUDITED SEPTEMBER 30 2021	UNAUDITED SEPTEMBER 30 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	722	(251)
ADJUSTMENTS:		
Depreciation	228	306
Finance costs	32	174
Impairment loss on trade receivables	-	51
Loss on disposal of subsidiary	-	212
CHANGES IN NON-CASH WORKING CAPITAL:		
Accounts receivable	(1,391)	(1,776)
Prepaid expenses	54	(13)
Inventories	31	(7)
Accounts payable and accrued liabilities	(263)	(310)
Deferred revenue	2,115	1,174
Assets and liabilities held-for-sale, net	-	(416)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	1,528	(857)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment, net	(5)	57
NET CASH FROM (USED IN) INVESTING ACTIVITIES	(5)	57
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(72)	(57)
Proceeds from sale of subsidiary	-	2,700
Repayment of bank loan	(1,614)	(2,490)
Finance costs	(32)	(174)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	(1,718)	(21)
CASH AND CASH EQUIVALENTS		
Decrease during the period	(195)	(820)
Beginning of the period	5,798	5,292
END OF THE PERIOD	5,603	4,472

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. Significant accounting policies

The interim consolidated financial statements of Bermuda Aviation Services Limited ("BAS" or the "Company") for the six months ended September 30, 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and follow the same accounting policies as per the March 31, 2021 annual financial statements. The interim consolidated financial statements do not include all the information and disclosure required in the annual financial statements and should be read in conjunction with the March 31, 2021 annual financial statements.

2. Segment reporting

BAS and its subsidiaries (the "Group") have three reportable segments as shown below. The Group's management has identified the operating segments based on the goods and services they provide. The operations of The CCS Group Ltd. ("CCS") have been reclassified from Infrastructure Development and presented as discontinued operations for the period ended September 30, 2020 (Note 3). The operations of Bermuda Energy Services Company Ltd. ("BESCO") have been reclassified from Infrastructure Development to Facilities Management following the amalgamation of BESCO with BAS Facilities Management Ltd ("BAS FM") on June 30, 2020, for the current and comparative period.

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
CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2021				
Revenue from external customers	20	1,399	4,312	5,731
Inter-segment revenue	834	9	123	966
Depreciation	213	2	13	228
(Loss) income	(1,001)	451	1,193	643
Total capital expenditure	(3)	-	(3)	(6)
CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2021				
Total operating assets	7,396	1,317	7,813	16,526
Total operating liabilities	256	12	3,341	3,609
CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2020				
Revenue from external customers	28	1,310	5,034	6,372
Inter-segment revenue	1,294	3	126	1,423
Depreciation	213	1	35	250
(Loss) income	(1,090)	458	1,223	591
Total capital expenditure	(1)	-	(26)	(27)
CONTINUING OPERATIONS PERIOD ENDED SEPTEMBER 30, 2020				
Total operating assets	9,288	1,111	6,970	17,369
Total operating liabilities	576	70	2,412	3,058

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

2. Segment reporting (continued)

	UNAUDITED SEPTEMBER 30 2021	UNAUDITED SEPTEMBER 30 2020
SEGMENTS RECONCILIATION		
INCOME (LOSS)		
Total income from continuing operations for reportable segments	643	591
Other income	111	116
Finance costs	(32)	(174)
Loss from discontinued operations (Note 3)	-	(784)
TOTAL GROUP COMPREHENSIVE INCOME (LOSS)	722	(251)
SEGMENTS RECONCILIATION		
TOTAL ASSETS		
Total assets for reportable segments	16,526	15,639
Goodwill	5,691	5,691
TOTAL GROUP ASSETS	22,217	21,330
TOTAL LIABILITIES		
Total liabilities for reportable segments	3,609	1,757
Bank loan	-	1,614
TOTAL GROUP LIABILITIES	3,609	3,371

3. Significant transactions

Following the disposal of CCS, a wholly owned subsidiary, on July 27, 2020, its operations have been reclassified and presented as discontinued operations for the period ended September 30, 2020. CCS represented a significant reportable segment of Infrastructure and Development which has been discontinued with the sale of CCS. The transaction to sell CCS resulted in the Group recording a \$784 loss from discontinued operations. An impairment loss of \$1,007 was recognized at March 31, 2021, after management conducted an impairment test of the Group's CGU's and determined goodwill was impaired.

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

DIRECTORS

Chairman

David W. Pugh, FCA

Jeffrey G. Conyers

Dennis Fagundo

Deputy Chairman

Gail E.M. Miller

E. Michael Leverock

Scott Pearman

Secretary

Conyers Corporate Services
(Bermuda) Limited

Leslie Rans, CPA

Glen Smith

OFFICERS

Navdeep Dhesi, CPA, CMA

Chief Operating & Finance Officer
BAS Group of Companies

GENERAL MANAGERS

Jeff Cook

General Manager
Weir Enterprises Ltd.

Steven Douglas

General Manager
Otis Elevator Company (Bermuda) Ltd.

Christopher Wright

General Manager
BAS Facilities Management Ltd.



BAS BUILDING

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ADDRESS

Bermuda Aviation Services Limited
P.O. Box HM 719
Hamilton HM CX
Bermuda

The BAS Building
19 Bakery Lane
Pembroke HM 07
Bermuda

**BERMUDA AVIATION
SERVICES LIMITED**

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

BAS FM LTD

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

**OTIS ELEVATOR COMPANY
(BERMUDA), LTD.**

P.O. Box HM 1546
Hamilton HM FX
Tel: 441-295-3226
Fax: 441-292-7422
www.otisbermuda.bm

WEIR ENTERPRISES LTD.

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

