



Ascendant Group Limited
Condensed Consolidated Interim Financial Statements
(Unaudited)

For the three-month period ended 31 March 2020



Ascendant Group Limited
Condensed Consolidated Interim Statement of Financial Position (Unaudited)
(In thousands of Bermuda Dollars)

	As at 31 March 2020	As at 31 December 2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$35,278	\$32,813
Investments	10	10
Accounts receivable	17,862	21,843
Long-term receivables, current portion	266	266
Investment in leases	416	409
Inventory	41,767	44,947
Prepaid expenses and other assets	2,762	2,633
	98,361	102,921
Non-current assets		
Property, plant and equipment (Note 4)	393,921	385,935
Investment property	1,929	1,888
Intangible assets and goodwill (Note 5)	12,212	12,421
Long-term receivables	621	745
Investment in leases	3,198	3,316
Right-of-use assets	418	449
Investment in associates	3,292	3,175
	415,591	407,929
Regulatory deferral account debit balances	5,953	5,455
Total assets and regulatory deferral account debit balances	\$519,905	\$516,305

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



Ascendant Group Limited
Condensed Consolidated Interim Statement of Financial Position (Unaudited)
(Continued)

(In thousands of Bermuda Dollars)

	As at 31 March 2020	As at 31 December 2019
LIABILITIES AND EQUITY		
Current liabilities		
Customer deposits	\$262	\$257
Trade and other payables	25,645	34,570
Deferred revenues	1,490	1,552
Bank borrowing (Note 10,12)	64,205	59,739
	91,602	96,118
Non-current liabilities		
Bank borrowing (Note 10,12)	84,978	78,325
Asset retirement obligation	16,866	16,666
Environmental clean-up obligation	3,132	3,093
Defined benefit obligation (Note 6)	10,127	10,900
Other post-retirement benefits (Note 6)	38,259	38,460
Lease liability	392	452
Derivative financial instruments (Note 11)	14,268	8,014
	168,022	155,910
Total liabilities	259,624	252,028
Equity		
Share capital (Note 9)	10,512	10,512
Share premium (Note 9)	33,316	34,839
Treasury shares (Note 9)	(10,247)	(10,247)
Contributed surplus	22,550	22,550
Accumulated OCI	(53,547)	(47,293)
Retained earnings	257,697	254,677
Total equity	260,281	263,038
Regulatory deferral account credit balances	-	1,239
Total liabilities, equity, and regulatory deferral account credit balances	\$519,905	\$516,305

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

Ascendant Group Limited
Condensed Consolidated Interim Statement of Earnings (Loss) (Unaudited)
(In thousands of Bermuda Dollars except per-share information)

	Three months ended	
	31 March	
	2020	2019
CONTINUING OPERATIONS		
Revenues		
Operating revenues	\$47,507	\$50,760
Other income	1,316	1,183
	48,823	51,943
Expenses		
Operating, administrative, regulatory, and energy expenses (Note 12)	39,562	47,292
Depreciation, amortisation, accretion and impairment	6,200	6,071
	45,762	53,363
OPERATING INCOME (LOSS)	3,061	(1,420)
Net finance expense (Note 11, 12)	796	210
Share of earnings of equity accounted investees	123	40
Income (loss) before net movement in regulatory account balances	2,388	(1,590)
Net movement in regulatory account debit balances	2,021	1,057
Net movement in regulatory account credit balances	(285)	
	1,736	1,057
NET EARNINGS (LOSS) FOR THE PERIOD	\$4,124	\$(533)
EARNINGS PER SHARE		
Basic:		
Net earnings (loss)	\$0.42	\$(0.06)
Diluted:		
Net earnings (loss)	\$0.41	\$(0.05)

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

Ascendant Group Limited
Condensed Consolidated Interim Statement of Comprehensive Income (Loss) (Unaudited)
(In thousands of Bermuda Dollars)

	Three months ended	
	31 March	
	2019	2018
Net earnings (loss) for the period	\$ 4,124	\$(533)
Other comprehensive income:		
<i>Items that may be reclassified to profit and loss:</i>		
Loss on cash flow hedges (Note 11)	(6,254)	(2,081)
	(6,254)	(2,081)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	\$(2,130)	\$(2,614)

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

Ascendant Group Limited
Condensed Consolidated Interim Statement of Changes in Equity (Unaudited)
(In thousands of Bermuda Dollars)

	Attributed to equity owners of the Company						Total Equity
	Share Capital	Share Premium	Treasury Stock	Contributed Surplus	Accumulated OCI	Retained Earnings	
Balance at 1 January 2019	\$10,526	\$34,246	\$(13,466)	\$22,550	\$(27,197)	\$246,451	\$273,110
Total comprehensive loss for the period							
Net loss for the period	-	-	-	-	-	(533)	(533)
Total other comprehensive loss for the period	-	-	-	-	(2,081)	-	(2,081)
Transactions with shareholders recognised directly in equity:							
Dividends	-	-	-	-	-	(1,056)	(1,056)
Equity settled transactions	-	905	-	-	-	-	905
Movement in treasury stock	(34)	(689)	(1,821)	-	-	-	(2,544)
Movement in ordinary shares	38	630	-	-	-	-	668
Balance at 31 March 2019	\$10,530	\$35,092	\$(15,287)	\$22,550	\$(29,278)	\$ 244,862	\$268,469
Balance at 1 January 2020	\$10,512	\$32,839	\$(10,247)	\$22,550	\$(47,293)	\$254,677	\$263,038
Total comprehensive loss for the period							
Net income for the period	-	-	-	-	-	4,124	4,124
Total other comprehensive loss for the period	-	-	-	-	(6,254)	-	(6,254)
Transactions with shareholders recognised directly in equity:							
Dividends	-	-	-	-	-	(1,104)	(1,104)
Equity settled transactions	-	477	-	-	-	-	477
Balance at 31 March 2020	\$10,512	\$33,316	\$(10,247)	\$22,550	\$(53,547)	\$257,697	\$260,281

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

Ascendant Group Limited
Condensed Consolidated Interim Statement of Cash Flows (Unaudited)
(In thousands of Bermuda Dollars)

	Three months ended	
	31 March	
	2020	2019
OPERATING ACTIVITIES		
Net earnings (loss) for the period	\$4,124	\$(533)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation, amortisation & impairment	5,930	5,784
Asset retirement & environmental clean-up obligation accretion	239	229
Right-of-use asset depreciation	31	58
Share of earnings of equity accounted investees	(116)	(40)
Change in fair value of investments	-	-
Inventory provision and impairment	-	261
Defined benefit obligation & other post-retirement benefits	(974)	(1,241)
Non-cash employee benefits expense: share based payments	477	905
Changes in non-cash working capital balances (Note 12)	(3,512)	(4,636)
Net cash generated from operating activities	6,199	787
INVESTING ACTIVITIES		
Acquisition of property, plant, equipment & intangible assets	(13,749)	(28,202)
Net cash used in investing activities	(13,749)	(28,202)
FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	-	197
Purchase of capital stock (treasury)	-	(1,821)
Dividends paid	(1,104)	(1,056)
Cash proceeds from bank borrowing (Note 12)	11,874	27,101
Repayment of bank borrowing (Note 12)	(755)	(730)
Net cash generated from financing activities	10,015	23,692
Increase (decrease) in cash and cash equivalents	2,465	(3,724)
Cash and cash equivalents:		
Beginning of period	32,813	19,468
Cash and cash equivalents:		
End of period	\$35,278	\$15,744

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended 31 March 2020

1. OPERATIONS

Ascendant Group Limited is domiciled in Bermuda. The Company's registered office is at 27 Serpentine Road, Pembroke, HM07, Bermuda. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as the "Company"). The Company is mainly involved in energy (electric power generation, transmission and distribution) and infrastructure (sale and service of heating, ventilation and air condition systems, air quality monitoring, building automation and energy management, commercial plumbing, fire protection, commercial refrigeration, property and facilities management, engineering consulting service) businesses.

Principal Operating Subsidiaries	Principal Activity
Bermuda Electric Light Company Limited ("BELCO")	Electric utility (generation, transmission & distribution)
Ascendant Bermuda Insurance Limited ("ABIL")	Captive property insurance
AG Holdings Limited ("AG Holdings")	Parent company of the following non-utility business operations:
<ul style="list-style-type: none"> • AIRCARE LTD. ("AIRCARE") 	Sale and service of heating, ventilation and air conditioning air ("HVAC") systems, air quality monitoring, building automation and energy management, commercial plumbing, fire protection and commercial refrigeration services.
<ul style="list-style-type: none"> • IFM Limited ("IFM") 	Property and facilities management services.
<ul style="list-style-type: none"> • iEPC Limited ("iEPC") 	Engineering procurement, contracting and consulting services.
<ul style="list-style-type: none"> • Ascendant Properties Limited ("Ascendant Properties") 	Property management.

The Consolidated Financial Statements of the Company as at 31 December 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), are available upon request from the Company's registered office above or at www.ascendant.bm.

2. BASIS OF PREPARATION
[a] Statement of compliance

These Condensed Consolidated Interim Financial Statements, as at, and for the three month period ended 31 March 2020, have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements under IFRS.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 5 May 2020.

[b] Basis of measurement

These Condensed Consolidated Interim Financial Statements have been prepared on the historical cost basis, except for the following items in the Condensed Consolidated Interim Statement of Financial Position:

- Defined benefit obligation (measured at present value of future obligations net of plan assets measured at fair value);
- Other post-retirement benefits (measured at present value of future benefits); and
- Derivative financial instruments (measured at fair value).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended 31 March 2020

[c] Functional and presentation currency

These Condensed Consolidated Interim Financial Statements are presented in Bermuda Dollars, which is the Company's functional currency. Bermuda Dollars are on par with the US Dollar.

[d] Use of estimates and judgments

The preparation of the Condensed Consolidated Interim Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company, during the current three-month reporting period, has consistently applied the accounting policies as outlined in its Consolidated Financial Statements as at 31 December 2019, which are available upon request from the Company's registered office above or at www.ascendant.bm.

4. PROPERTY, PLANT AND EQUIPMENT

In \$000's	Cost	Accumulated Depreciation	31 March 2020	31 December 2019
			Net Book Value	Net Book Value
Land	\$5,579	\$-	\$5,579	\$5,579
Bulk Generation	389,364	196,273	193,091	84,824
Transmission Distribution & Retail	297,503	141,231	156,272	158,104
Capital Work in Progress ("CWIP")	24,323	-	24,323	121,663
Other Physical Assets	43,515	28,859	14,656	15,765
	\$760,284	\$366,363	\$393,921	\$385,935

As at 31 March 2020, included in total CWIP, which is not subject to depreciation until brought into service, is \$18.9 million in relationship to transmission and distribution upgrades, \$2.2 million spent on campus, \$0.4 million to acquire vehicles, and \$2.8 million in other capital expenditures. As at 31 March 2019 CWIP included \$58.5 million associated with the North Power Station, replacement generation consisting of four 14 megawatt ("MW") diesel engines replacing retiring engines that currently account for approximately 50% of the Company's current generation capacity. The North Power Station was commissioned on 31 March 2019 and is now included in the cost of Bulk Generation assets.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended 31 March 2020

5. INTANGIBLE ASSETS AND GOODWILL

In \$000's	Cost	Accumulated Depreciation	31 March 2020	31 December 2019
			Net Book Value	Net Book Value
Goodwill	\$6,910	\$-	\$6,910	\$6,915
Software in Progress	751	-	751	883
Software	16,181	11,630	4,551	4,623
	\$23,842	\$11,630	\$12,212	\$12,421

No intangible assets other than software were acquired during the three-month period ended 31 March 2020.

6. EMPLOYEE FUTURE BENEFITS

The Company and its subsidiaries each maintain one or a combination of defined benefit (“DB”) pension plans and defined contribution (“DC”) pension plans for employees. The Company and certain subsidiaries also offer other post-retirement benefit (“OPEB”) plans that provide medical benefit and life insurance benefits for qualifying employees.

Amounts related to the Company’s DB pension plan obligation and OPEB plan obligations are as follows:

In \$000's	DB Pension Plan		OPEB Plans	
	As at 31 March 2020	As at 31 December 2019	As at 31 March 2020	As at 31 December 2019
Net accrued benefit liability:				
End of period	\$(10,127)	\$(10,900)	\$(38,259)	\$(38,460)

The net benefit cost of providing the DB Pension Plan and OPEB Plans for the three month period ended 31 March is as follows:

In \$000's	Three months ended 31 March			
	DB Pension Plan		OPEB Plans	
	2020	2019	2020	2019
Net benefit costs	\$93	\$94	\$343	\$395

For the three months ended 31 March 2020, the Company expensed \$0.6 million (\$0.6 million for the same period in 2019) related to its DC pension plans.

The Company commissions the preparation of Actuarial reports to support the accrued liability provision balances of its post retirement plans only for reporting periods ended 30 June and 31 December. The information herein was obtained from Actuarial reports supporting the accrued benefit liability balances of the Company’s post retirement plans as at 31 December 2019 as updated for net benefit costs incurred in the period.

The \$0.7 million decrease in the DB Pension Plan accrued benefit liability position during the three month period ended 31 March 2020 is primarily due to Company contributions to the plan to support retiree benefit payments.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended 31 March 2020

7. SEGMENTED INFORMATION

Continuing operations in \$000's	BELCO	AG Holdings	All other (a)	Total
As at and for the period ended 31 March 2020				
Segment revenues	\$47,186	\$8,799	\$2,767	58,752
Less: Revenues from internal customers	14	543	2,496	3,053
Revenues from external customers	47,172	8,256	271	55,699
Segment profit (loss)	4,916	918	1,710	4,124
Segment assets and regulatory debit balances	462,881	38,281	33,723	534,885
Segment liabilities	254,437	18,908	3,550	276,895

Continuing operations in \$000's	BELCO	AG Holdings	All other (a)	Total
As at and for the period ended 31 March 2019				
Segment revenues	\$50,548	\$8,348	\$3,005	\$61,901
Less: Revenues from internal customers	13	367	2,768	3,148
Revenues from external customers	50,535	7,981	237	58,753
Segment profit (loss)	2,181	1,019	(3,733)	(533)
Segment assets	403,639	32,232	18,562	454,433
Segment liabilities and regulatory deferral credit balances	163,915	17,787	5,551	187,253

(a) All other, representing segments below the quantitative thresholds, are attributable to Ascendant Group Limited, the ultimate parent company, and ABIL, a captive property insurance company.

Reconciliation of segment revenues to total Group revenues is noted below:

In \$000's	Three months ended 31 March	
	2020	2019
Revenues from external customers	\$55,699	\$58,753
Cost of goods sold and discounts	(6,876)	(6,810)
Consolidated revenues	\$48,823	\$51,943

In \$000's	Three months ended 31 March	
	2020	2019
Timing of revenue recognition:		
At a point in time	\$419	\$419
Over time	55,280	58,334
Revenue from external customers	\$55,699	\$58,753

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended 31 March 2020

Reconciliation of segment assets to total Group assets is noted below:

In \$000's	As at 31 March	
	2020	2019
Assets		
Assets for reportable segments	\$534,885	\$454,433
Investment in associates	3,292	2,342
Elimination of intercompany assets	(18,272)	(19,591)
Consolidated assets and regulatory debit balances	\$519,905	\$437,184

Reconciliation of segment liabilities to total Group liabilities is noted below:

In \$000's	As at 31 March	
	2020	2019
Liabilities		
Liabilities for reportable segments	\$276,895	\$187,253
Elimination of intercompany liabilities	(17,271)	(18,538)
Consolidated liabilities and regulatory credit balances	\$259,624	\$168,715

8. RELATED PARTIES
Long-Term Incentive and Retention Programs

The Company's Long-Term Incentive Programme and Retention Share Programmes are designed to attract, retain and motivate senior management and tie a meaningful portion of compensation to the achievement of strategic objectives and increased shareholder value.

Awards are granted periodically and are generally tied to the Company's share price or the fulfillment of strategic and performance objectives. Payment of awards are either in cash or in shares, as specified in the respective awards when granted. Awards vest over two to three year periods.

The Company's outstanding cash-settled awards at 31 March 2020, accounted for as a liability and included in trade and other payables, totaled \$0.9 million (at 31 December 2019: \$1.8 million). The Company's outstanding equity-settled awards totaled \$3.2 million at 31 March 2020 (at 31 December, 2019: \$2.7 million). These balances have been included in share premium as a component of the Company's equity. The associated expense for the three months ending 31 March 2020 totaled \$0.7 million (three months ending 31 March 2019: \$1.4 million).

No Company shares were issued during the current period (three months ending 31 March 2019: Nil shares issued).

9. SHARE REPURCHASE PROGRAMME

In May 2018, the Company's Board of Directors authorised the repurchase of up to 1,000,000 Company shares through a share repurchase programme, representing approximately 10% of the Company's listed shares, in order to facilitate and improve shareholder liquidity. The duration of this programme was one year commencing 23 May, 2018. As the programme has ended, there were no share repurchases in the three months ended 31 March, 2020. During the same period in 2019, the Company purchased 139,395

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended 31 March 2020

shares at an average cost of \$18.25 per share, of which 104,540 shares were added to the treasury stock balance and the remaining 34,855 shares were cancelled. The balance in treasury stock as of 31 March 2020 is 696,024 shares (as of 31 December 2019: 696,024 shares).

10. BANK BORROWING

In \$000's	Authorised	As at 31 March 2020 Drawdown	As at 31 December 2019 Drawdown
The Bank of NT Butterfield & Son Limited - Overdraft facilities			
BELCO	\$30,000	\$4,321	\$-
Ascendant	5,000	-	-
CIBC First Caribbean International Bank (Cayman) Limited –			
Revolving Credit Facility	50,000	49,940	49,940
HSBC – EKF Term Loan Facility	91,400	83,884	76,330
HSBC – Commercial Term Loan Facility	16,100	11,038	11,794
TOTAL BANK BORROWING	\$192,500	\$149,183	\$138,064
LESS: CURRENT PORTION	35,000	64,205	59,739
LONG-TERM PORTION	\$157,500	\$84,978	\$78,325

Overdraft facilities:

The Company's subsidiary BELCO has a \$30 million overdraft facility with the Bank of N.T. Butterfield & Son Limited bearing interest at 1% per annum above the Bank's Bermuda Dollar Base Rate on borrowings. As at 31 March 2020 the Company had drawn down \$4.3 million on this facility (as at 31 December 2019: \$Nil).

Ascendant has a \$5 million overdraft facility with the Bank of N.T. Butterfield & Son Limited bearing interest at 1% per annum above the Bank's Bermuda Dollar Base Rate on borrowings. There were no drawdowns on this facility as at 31 March 2020 (as at 31 December 2019: \$Nil).

BELCO entered into an unsecured revolving credit facility with CIBC First Caribbean International Bank (Cayman) Limited on 18 December 2018. The facility allows for maximum drawings of up to \$50 million bearing interest at three month \$US LIBOR plus 2.70% per annum. Interest is payable quarterly in arrears and is calculated on an actual/360 day basis. Principal repayments are due on maturity. The facility expires on 17 December 2020. As at 31 March 2020 the Company had drawn down \$49.9 million (as at 31 December 2019 - \$49.9 million) on this facility.

Term loan facilities:

On 21 June 2018, the Company and HSBC entered into a US \$91.4 million, 13.5 year unsecured term loan facility at a floating interest rate of six month LIBOR plus margin and fees totaling 1.976% together with a US \$16.1 million, 5 year unsecured term loan facility at a floating interest rate of three month LIBOR plus a margin of 2.75%. At the time of closing of these loan facilities, the

Company entered into two interest rate swaps, outlined in Note 11, to fix the interest rates of these loans for their respective terms.

These loans are being used to fund the construction of BELCO's Replacement Generation and will be drawn down during the construction period. Both facilities will be repaid in equal semi-annual and quarterly payments over their respective terms once they are fully drawn. Repayment of the US \$91.4

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended 31 March 2020

million loan facility is scheduled to commence in the second quarter of 2020. Repayment of the US \$16.1 million loan facility commenced in October 2018. As at 31 March 2020, the Company had drawn down \$94.9 million (as at 31 December 2019 - \$88.1 million) under these facilities.

11. DERIVATIVE FINANCIAL INSTRUMENTS

On 21 June 2018, the Company entered into two cash flow interest rate swap contracts designated as cash flow hedges to mitigate the risk that LIBOR-based interest rates will increase over the life of its new term loan facilities described in Note 9. Under the terms of the interest rate swap contracts, the Company has fixed its LIBOR interest rate expense to 3.28% on its US \$91.4 million term loan facility and 3.02% on its US \$16.1 million term loan facility. The interest rate swap contracts effectively hedge exposure to increases in US dollar interest rates as both notional amounts and the term of the contracts closely match new term loan facilities being hedged.

The fair value of derivative instruments is the estimated amount that the Company would receive or have to pay in order to terminate the outstanding contracts as at the balance sheet date. As at 31 March 2020, the fair value of the two cash flow interest rate swap contracts was a loss of \$14.3 million which has been recognised as a derivative liability on the condensed consolidated interim statement of financial position (as at 31 December 2019: \$8.0 million). The \$6.3 million change in fair value of the cash flow interest rate swap agreements has been recognized in OCI.

The derivative financial instruments are considered to be Level 2 financial instruments in the fair value hierarchy. The Company notes the impending replacement of LIBOR, however, at 31 March 2020, LIBOR is considered to remain a hedgeable risk component.

12. SUPPLEMENTAL INFORMATION TO CONDENSED CONSOLIDATED INTERIM STATEMENT OF EARNINGS
Operating, administrative, regulatory and energy expenses

In \$000's	Three months ended 31 March	
	2020	2019
Operating and administrative expenses	\$20,648	\$23,674
Inventory write-down	-	261
Regulatory Authority fees	663	672
Purchased power/energy	836	813
Fuel	17,415	21,872
	\$39,562	\$47,292

Net finance expense

In \$000's	Three months ended 31 March	
	2019	2019
Foreign exchange loss	\$78	\$91
Gain on sale of investment properties	(1)	(54)
Interest expense	719	173
	\$796	\$210

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended 31 March 2020

STATEMENT OF CASH FLOWS
Changes in non-cash working capital balances

In \$000's	Three months ended 31 March	
	2020	2019
Deferred revenues	\$(62)	\$343
Accounts receivable, long-term receivable & investment in leases	4,215	2,070
Inventory	3,181	2,121
Prepaid expenses and other assets	(130)	(925)
Regulatory deferral account debit/credit balances	(2,021)	(1,128)
Regulatory deferral account asset	285	-
Customer deposits	4	4
Trade and other payables	(8,925)	(6,813)
Lease liability	(59)	(56)
	\$(3,512)	\$ (4,636)

Net debt reconciliation

In \$000's	Overdraft Facilities	Term loan facilities due within 1 year	Term loan facilities due after 1 year	Total
Net debt as at 1 January 2019	\$-	\$2,973	\$34,281	\$54,674
Cash flows	-	(22)	17,154	26,371
Net debt as at 31 March 2019	\$-	\$2,951	\$51,435	\$81,045
Net debt as at 1 January 2020	\$49,940	\$9,799	\$78,325	\$138,064
Cash flows	4,321	(755)	-	3,566
Acquisitions	-	900	6,653	7,553
Net debt as at 31 March 2020	\$54,261	\$9,944	\$84,978	\$149,183