



Auditor's Report and Financial Statements

The Provincial Electricity Authority and its subsidiary

For the year ended December 31, 2015

**สำนักงานการตรวจเงินแผ่นดิน**

---

---



(TRANSLATION)  
AUDITOR'S REPORT

To the Board of Directors of the Provincial Electricity Authority

The Office of the Auditor General of Thailand has audited the accompanying consolidated financial statements of the Provincial Electricity Authority and its subsidiary, and separate financial statements of the Provincial Electricity Authority, which comprise the consolidated and separate statements of financial position, as at December 31, 2015, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated and Separate Financial Statements**

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

**Auditor's Responsibility**

The Office of the Auditor General of Thailand's responsibility is to express an opinion on these consolidated and separate financial statements based on the audit. The Office of the Auditor General of Thailand conducted the audit in accordance with Thai Standards on Auditing. Those standards require that the Office of the Auditor General of Thailand comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making



(TRANSLATION)

- 2 -

those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

The Office of the Auditor General of Thailand believes that the audit evidence the Office of the Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for the Office of the Auditor General of Thailand's audit opinion.

**Opinion**

In the Office of the Auditor General of Thailand's opinion, the above mentioned consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Provincial Electricity Authority and its subsidiary, and separate financial position of the Provincial Electricity Authority, respectively, as at December 31, 2015, and their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Signed) *Yupin Chalanonniwat*  
(Ms. Yupin Chalanonniwat)  
Deputy Auditor General

(Signed) *Patchara Larpluechai*  
(Mrs. Patchara Larpluechai)  
Director of Financial Audit Office No. 13

(TRANSLATION)

- 3 -

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Unit: Baht

	Notes	Consolidated financial statements		
		Dec. 31, 2015	Dec. 31, 2014 (Restated)	Jan. 1, 2014 (Restated)
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	4.1, 5.1	4,437,899,027	10,940,091,492	3,078,465,100
Short-term investments	5.2	11,047,000,000	-	-
Trade accounts receivable	4.2, 5.3	33,637,524,486	33,363,636,121	31,365,038,600
Materials and supplies	4.3, 5.4	2,479,507,884	2,609,586,238	2,870,330,999
Special-purpose deposits at financial institutions	4.4, 5.5	34,854,819,163	32,267,560,045	29,243,070,063
Accrued revenues	5.6	8,842,446,113	3,765,778,714	4,484,878,207
Undue input VAT		2,219,514,039	2,127,161,959	1,801,919,384
Advance payments to suppliers		1,580,705,656	1,616,116,172	1,512,612,016
Other current assets	5.7	580,850,942	1,213,447,337	1,317,440,898
<b>Total Current Assets</b>		<b>99,680,267,310</b>	<b>87,903,378,078</b>	<b>75,673,755,267</b>
<b>Non-current Assets</b>				
Investments in associates	4.5, 5.8	241,706,467	195,092,291	-
Investment property	4.7, 5.10	715,013,852	336,887,498	345,100,359
Property, plant and equipment	4.8, 5.11	232,667,595,872	225,660,722,594	219,705,876,881
Constructions in progress	4.9, 5.12	32,593,887,673	32,324,476,360	29,532,559,615
Intangible assets	4.10, 5.13	1,036,758,458	1,923,626,565	2,702,639,731
Other non-current assets	5.14	108,208,185	74,550,839	87,525,765
<b>Total Non-current Assets</b>		<b>267,363,170,507</b>	<b>260,515,356,147</b>	<b>252,373,702,351</b>
<b>Total Assets</b>		<b>367,043,437,817</b>	<b>348,418,734,225</b>	<b>328,047,457,618</b>

The notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

- 4 -

## THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Unit: Baht

	Notes	Consolidated financial statements		
		Dec. 31, 2015	Dec. 31, 2014 (Restated)	Jan. 1, 2014 (Restated)
<b>Liabilities and Equity</b>				
<b>Current Liabilities</b>				
Trade accounts payable	5.15	38,656,409,644	37,860,786,458	32,334,507,027
Current portion of long-term loans	4.11, 4.12, 5.16, 7	7,911,662,071	7,939,965,067	7,395,857,717
Current portion of finance lease liabilities	5.17	981,968,304	973,947,242	1,097,804,259
Other payables		543,571,356	543,916,827	338,151,039
Accrued interest payable on loans		828,321,920	823,989,819	809,261,091
Accrued remittance to the Ministry of Finance	5.18	6,672,000,000	5,296,000,000	8,561,778,000
Advance received per contract		1,416,104,473	1,184,645,838	1,056,938,839
Deposits payable	5.19	701,196,409	651,177,436	631,544,628
Accrued expenses		3,492,177,031	2,960,337,925	3,224,951,479
Other current liabilities	5.20	775,387,717	309,470,256	817,256,530
<b>Total Current Liabilities</b>		<b>61,978,798,925</b>	<b>58,544,236,868</b>	<b>56,268,050,609</b>
<b>Non-current Liabilities</b>				
Long-term loans	4.11, 4.12, 5.16, 7	76,370,942,832	74,313,972,897	71,989,407,090
Long-term provisions	4.13, 5.21	192,209,799	2,868,588	8,069,616
Construction obligations	5.22	9,445,293,362	9,095,110,805	8,990,892,743
Finance lease liabilities	5.17	427,048,106	1,030,834,765	1,588,119,723
Deferred revenues	4.14, 5.23	43,595,839,529	39,954,411,470	36,281,323,661
Electricity usage guarantee	4.15, 5.24	23,654,542,773	22,025,643,420	20,315,665,562
Sales and service guarantee		764,763,125	733,414,868	483,134,381
Employee gratuity fund	4.16, 5.25	7,082,282	13,265,202	16,895,856
Employee benefit obligations	4.17, 5.26	11,030,895,417	10,567,490,885	9,995,858,597
Other non-current liabilities		93,042,182	-	-
<b>Total Non-current Liabilities</b>		<b>165,581,659,407</b>	<b>157,737,012,900</b>	<b>149,669,367,229</b>
<b>Total Liabilities</b>		<b>227,560,458,332</b>	<b>216,281,249,768</b>	<b>205,937,417,838</b>
<b>Equity</b>				
Initial capital		87,003,887	87,003,887	87,003,887
Contributions from the government		4,802,500,915	4,802,500,915	4,802,500,915
Unappropriated retained earnings		134,593,474,683	127,247,979,655	117,220,534,978
<b>Total Equity</b>		<b>139,482,979,485</b>	<b>132,137,484,457</b>	<b>122,110,039,780</b>
<b>Total Liabilities and Equity</b>		<b>367,043,437,817</b>	<b>348,418,734,225</b>	<b>328,047,457,618</b>

The notes to financial statements are an integral part of these financial statements.

(Signed) *Tawin Pliansri*  
(Mr. Tawin Pliansri)  
Chairman of the Board of Directors  
The Provincial Electricity Authority

(Signed) *Sermsakool Klaikaew*  
(Mr. Sermsakool Klaikaew)  
PEA Governor

(TRANSLATION)

- 5 -

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Unit: Baht

	Notes	Separate financial statements		
		<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u> (Restated)	<u>Jan. 1, 2014</u> (Restated)
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	4.1, 5.1	4,063,721,026	10,699,759,898	2,770,464,712
Short-term investments	5.2	11,047,000,000	-	-
Trade accounts receivable	4.2, 5.3	33,636,753,788	33,362,580,753	31,364,675,999
Materials and supplies	4.3, 5.4	2,475,909,039	2,609,586,238	2,870,330,999
Special-purpose deposits at financial institutions	4.4, 5.5	34,854,819,163	32,267,560,045	29,243,070,063
Accrued revenues	5.6	8,842,201,419	3,765,455,705	4,486,300,207
Undue input VAT		2,219,497,193	2,127,099,623	1,801,903,986
Advance payments to suppliers		1,580,705,656	1,616,116,172	1,512,612,016
Other current assets	5.7	<u>663,749,052</u>	<u>1,213,087,568</u>	<u>1,316,279,432</u>
<b>Total Current Assets</b>		<b><u>99,384,356,336</u></b>	<b><u>87,661,246,002</u></b>	<b><u>75,365,637,414</u></b>
<b>Non-current Assets</b>				
Investments in subsidiary	4.6, 5.9	473,283,750	447,375,000	344,875,000
Investment property	4.7, 5.10	715,013,852	336,887,498	345,100,359
Property, plant and equipment	4.8, 5.11	232,665,233,118	225,657,899,909	219,705,506,143
Constructions in progress	4.9, 5.12	32,593,887,673	32,324,476,360	29,532,559,615
Intangible assets	4.10, 5.13	1,036,699,249	1,923,593,810	2,702,597,575
Other non-current assets	5.14	<u>108,208,185</u>	<u>74,550,839</u>	<u>87,479,059</u>
<b>Total Non-current Assets</b>		<b><u>267,592,325,827</u></b>	<b><u>260,764,783,416</u></b>	<b><u>252,718,117,751</u></b>
<b>Total Assets</b>		<b><u>366,976,682,163</u></b>	<b><u>348,426,029,418</u></b>	<b><u>328,083,755,165</u></b>

The notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

- 6 -

## THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Unit: Baht

	Notes	Separate financial statements		
		Dec. 31, 2015	Dec. 31, 2014 (Restated)	Jan. 1, 2014 (Restated)
<b>Liabilities and Equity</b>				
<b>Current Liabilities</b>				
Trade accounts payable	5.15	38,640,293,663	37,859,460,023	32,334,216,629
Current portion of long-term loans	4.11, 4.12, 5.16, 7	7,911,662,071	7,939,965,067	7,395,857,717
Current portion of finance lease liabilities	5.17	981,303,446	973,325,374	1,097,804,259
Other payables		543,580,940	543,991,649	338,151,039
Accrued interest payable on loans		828,321,920	823,989,819	809,261,091
Accrued remittance to the Ministry of Finance	5.18	6,672,000,000	5,296,000,000	8,561,778,000
Advance received per contract		1,416,104,473	1,184,645,838	1,056,938,839
Deposits payable	5.19	701,196,409	651,177,436	631,544,628
Accrued expenses		3,491,747,938	2,957,242,418	3,224,410,919
Other current liabilities	5.20	775,309,992	309,414,568	817,052,342
<b>Total Current Liabilities</b>		<b>61,961,520,852</b>	<b>58,539,212,192</b>	<b>56,267,015,463</b>
<b>Non-current Liabilities</b>				
Long-term loans	4.11, 4.12, 5.16, 7	76,370,942,832	74,313,972,897	71,989,407,090
Long-term provisions	4.13, 5.21	192,209,799	2,868,588	8,069,616
Construction obligations	5.22	9,445,293,362	9,095,110,805	8,990,892,743
Finance lease liabilities	5.17	425,610,933	1,028,793,954	1,588,119,723
Deferred revenues	4.14, 5.23	43,595,839,529	39,954,411,470	36,281,323,661
Electricity usage guarantee	4.15, 5.24	23,654,542,773	22,025,643,420	20,315,665,562
Sales and service guarantee		764,403,350	733,055,093	482,848,806
Employee gratuity fund	4.16, 5.25	7,082,282	13,265,202	16,895,856
Employee benefit obligations	4.17, 5.26	11,030,227,987	10,567,112,186	9,995,609,735
Other non-current liabilities		93,042,182	-	-
<b>Total Non-current Liabilities</b>		<b>165,579,195,029</b>	<b>157,734,233,615</b>	<b>149,668,832,792</b>
<b>Total Liabilities</b>		<b>227,540,715,881</b>	<b>216,273,445,807</b>	<b>205,935,848,255</b>
<b>Equity</b>				
Initial capital		87,003,887	87,003,887	87,003,887
Contributions from the government		4,802,500,915	4,802,500,915	4,802,500,915
Unappropriated retained earnings		134,546,461,480	127,263,078,809	117,258,402,108
<b>Total Equity</b>		<b>139,435,966,282</b>	<b>132,152,583,611</b>	<b>122,147,906,910</b>
<b>Total Liabilities and Equity</b>		<b>366,976,682,163</b>	<b>348,426,029,418</b>	<b>328,083,755,165</b>

The notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

- 7 -

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

Unit: Baht

	Notes	Consolidated financial statements	
		2015	2014
<b>Revenues</b>			
Operating Revenues			
Sales of electricity energy		451,476,153,871	450,633,827,020
Other operating revenues		12,248,231,622	12,435,431,073
<b>Total Operating Revenues</b>	4.19	<b>463,724,385,493</b>	<b>463,069,258,093</b>
Other revenues		2,103,920,773	1,954,550,895
<b>Total Revenues</b>		<b>465,828,306,266</b>	<b>465,023,808,988</b>
<b>Expenses</b>			
Operating Expenses			
Cost of electricity		388,143,570,850	391,110,303,024
Employee compensations		21,480,065,027	20,076,644,438
Employee benefit expenses		892,043,770	836,395,584
Executive remuneration	4.20, 5.27	77,456,073	128,558,325
Preventive, repair and maintenance, and construction expenses		4,265,998,991	4,180,433,239
Depreciation and amortization expenses		18,757,361,290	17,420,056,011
Other operating expenses		7,548,369,344	7,418,809,104
<b>Total operating expenses</b>		<b>441,164,865,345</b>	<b>441,171,199,725</b>
Other expenses		282,122,729	54,021,305
Financial costs	4.21	3,313,462,786	3,408,907,918
<b>Total Expenses</b>		<b>444,760,450,860</b>	<b>444,634,128,948</b>
Share of profit of associates		66,579,176	30,092,291
<b>Profit for the year</b>	5.28	<b>21,134,434,582</b>	<b>20,419,772,331</b>
<b>Other comprehensive income (loss):</b>			
Actuarial loss on post-employment benefit plan	4.17, 5.26	(141,939,554)	(124,105,654)
<b>Total comprehensive income (loss) for the year</b>		<b>20,992,495,028</b>	<b>20,295,666,677</b>

The notes to financial statements are an integral part of these financial statements.



(TRANSLATION)

- 8 -

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit: Baht	
		Separate financial statements	
	Notes	2015	2014
<b>Revenues</b>			
<b>Operating Revenues</b>			
Sales of electricity energy		451,476,153,871	450,633,827,020
Other operating revenues		12,231,535,871	12,427,137,765
<b>Total Operating Revenues</b>	4.19	463,707,689,742	463,060,964,785
Other revenues		2,099,109,105	1,950,936,141
<b>Total Revenues</b>		465,806,798,847	465,011,900,926
<b>Expenses</b>			
<b>Operating Expenses</b>			
Cost of electricity		388,143,570,850	391,110,303,024
Employee compensations		21,473,125,594	20,069,646,777
Employee benefit expenses		891,755,039	836,265,746
Executive remuneration	4.20, 5.27	76,048,348	127,086,255
Preventive, repair and maintenance, and construction expenses		4,266,156,316	4,182,070,061
Depreciation and amortization expenses		18,756,575,299	17,419,364,589
Other operating expenses		7,531,833,656	7,407,416,881
<b>Total operating expenses</b>		441,139,065,102	441,152,153,333
Other expenses		282,122,729	54,021,305
Financial costs	4.21	3,313,288,791	3,408,721,933
<b>Total Expenses</b>		444,734,476,622	444,614,896,571
<b>Profit for the year</b>	5.28	21,072,322,225	20,397,004,355
<b>Other comprehensive income (loss):</b>			
Actuarial loss on post-employment benefit plan	4.17, 5.26	(141,939,554)	(124,105,654)
<b>Total comprehensive income (loss) for the year</b>		20,930,382,671	20,272,898,701

The notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

- 9 -

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	Initial Capital and Contributions from the Government	Unappropriated Retained Earnings	Total Equity
Balance as at January 1, 2014, before adjustment		4,889,504,802	117,193,561,623	122,083,066,425
Effect from the restatement	3	-	26,973,355	26,973,355
Balance as at January 1, 2014, after adjustment		4,889,504,802	117,220,534,978	122,110,039,780
Accumulated amount from				
Remittance to the Ministry of Finance for the year 2013 (addition)	5.18	-	(21,222,000)	(21,222,000)
Balance after adjustment		4,889,504,802	117,199,312,978	122,088,817,780
Interim remittance to the Ministry of Finance from net profit for the year 2014	5.18	-	(4,951,000,000)	(4,951,000,000)
Reserve for remittance to the Ministry of Finance from net profit for the year 2014	5.18	-	(5,296,000,000)	(5,296,000,000)
Total comprehensive income (loss) for the year 2014		-	20,295,666,677	20,295,666,677
Balance as at December 31, 2014		4,889,504,802	127,247,979,655	132,137,484,457
Accumulated amount from				
Remittance to the Ministry of Finance for the year 2014 (addition)	5.18	-	(3,000,000)	(3,000,000)
Balance after adjustment		4,889,504,802	127,244,979,655	132,134,484,457
Interim remittance to the Ministry of Finance from net profit for the year 2015	5.18	-	(3,972,000,000)	(3,972,000,000)
Remittance to the Ministry of Finance from approximate profit for the year 2015 (addition)	5.18	-	(3,000,000,000)	(3,000,000,000)
Reserve for remittance to the Ministry of Finance from net profit for the year 2015	5.18	-	(6,672,000,000)	(6,672,000,000)
Total comprehensive income (loss) for the year 2015		-	20,992,495,028	20,992,495,028
Balance as at December 31, 2015		4,889,504,802	134,593,474,683	139,482,979,485

The notes to financial statements are an integral part of these financial statements.

(TRANSLATION)

- 10 -

**THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Notes	Separate financial statements			Total Equity
		Initial Capital and Contributions from the Government	Unappropriated Retained Earnings		
Balance as at January 1, 2014, before adjustment		4,889,504,802	117,231,428,753	122,120,933,555	
Effect from the restatement	3	-	26,973,355	26,973,355	
Balance as at January 1, 2014, after adjustment		4,889,504,802	117,258,402,108	122,147,906,910	
Accumulated amount from					
Remittance to the Ministry of Finance for the year 2013 (addition)	5.18	-	(21,222,000)	(21,222,000)	
Balance after adjustment		4,889,504,802	117,237,180,108	122,126,684,910	
Interim remittance to the Ministry of Finance from net profit for the year 2014	5.18	-	(4,951,000,000)	(4,951,000,000)	
Reserve for remittance to the Ministry of Finance from net profit for the year 2014	5.18	-	(5,296,000,000)	(5,296,000,000)	
Total comprehensive income (loss) for the year 2014		-	20,272,898,701	20,272,898,701	
Balance as at December 31, 2014		4,889,504,802	127,263,078,809	132,152,583,611	
Accumulated amount from					
Remittance to the Ministry of Finance for the year 2014 (addition)	5.18	-	(3,000,000)	(3,000,000)	
Balance after adjustment		4,889,504,802	127,260,078,809	132,149,583,611	
Interim remittance to the Ministry of Finance from net profit for the year 2015	5.18	-	(3,972,000,000)	(3,972,000,000)	
Remittance to the Ministry of Finance from approximate profit for the year 2015 (addition)	5.18	-	(3,000,000,000)	(3,000,000,000)	
Reserve for remittance to the Ministry of Finance from net profit for the year 2015	5.18	-	(6,672,000,000)	(6,672,000,000)	
Total comprehensive income (loss) for the year 2015		-	20,930,382,671	20,930,382,671	
Balance as at December 31, 2015		4,889,504,802	134,546,461,480	139,435,966,282	

The notes to financial statements are an integral part of these financial statements.

## THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit: Baht	
	Consolidated financial statements	
	2015	2014
<b>Cash Flows from Operating Activities:</b>		
Profit for the year	21,134,434,582	20,419,772,331
Adjustments of net profit to net cash provided by (used in) operating activities:		
Depreciation and amortization	18,924,706,824	17,595,229,162
Bad debts and doubtful accounts	(5,433,333)	104,299,835
Provision for obsolete materials and supplies	(34,835,721)	(2,800,441)
Amortization of deferred revenues	(3,635,280,475)	(3,338,220,265)
Employee benefit obligations	321,464,978	447,526,635
Long-term provisions	192,802,001	(4,550,108)
Loss on disposal of assets	79,892,384	1,179,636
(Gain) loss on disposal of materials and supplies	(13,223,636)	2,285,159
Gain on foreign exchange	(31,347,361)	(135,469,126)
Share of profit of associates	(66,579,176)	(30,092,291)
Interest income	(1,382,774,270)	(1,350,430,414)
Interest expense	3,310,997,188	3,404,608,783
Profit from operating activities before changes in operating assets and liabilities	38,794,823,985	37,113,338,896
Changes in operating assets (increase) decrease		
Trade accounts receivable	(250,353,078)	(2,085,495,559)
Materials and supplies	952,549,040	1,627,616,938
Special-purpose deposits at financial institutions	(2,587,259,118)	(3,024,489,982)
Accrued revenues	(5,133,172,033)	720,025,617
Interest received	1,439,278,903	1,349,504,290
Undue input VAT	(92,352,079)	(325,242,576)
Advance payments to suppliers	35,410,516	(103,504,156)
Other current assets	614,038,085	86,589,123
Other non-current assets	(33,200,991)	12,977,568
Changes in operating liabilities increase (decrease)		
Trade accounts payable	591,844,995	5,658,505,958
Other payables	(345,472)	205,765,788
Advance received per contract	231,458,634	127,707,000
Deposits payable	50,018,973	19,632,808

The notes to financial statements are an integral part of these financial statements.

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit: Baht	
	Consolidated financial statements	
Notes	2015	2014
Accrued expenses	531,839,107	(264,613,555)
Other current liabilities	462,456,671	(508,437,193)
Construction obligations	350,182,557	104,218,062
Deferred revenues	7,091,459,611	7,011,308,074
Electricity usage guarantee	1,628,899,353	1,709,977,859
Sales and service guarantee	31,348,257	250,280,486
Employee gratuity fund	(6,182,920)	(3,630,655)
Other non-current liabilities	-93,042,182	-
Net cash provided by operating activities	<u>44,795,785,178</u>	<u>49,682,034,791</u>
<b>Cash Flows from Investing Activities:</b>		
Payment of short-term investments	(11,047,000,000)	-
Payment of investments in associates	-	(165,000,000)
Dividend received from associates	19,965,000	-
Payment of property, plant and equipment	(3,675,291,136)	(4,366,559,786)
Payment of constructions in progress	(22,011,395,897)	(22,214,785,190)
Interest expense capitalized to constructions in progress	(404,393,697)	(253,734,558)
Proceeds from disposal of property, plant and equipment	15,651	118,573
Payment of intangible assets	(65,805,681)	(216,506,007)
Payment of investment property	(655,500)	-
Net cash used in investing activities	<u>(37,184,561,260)</u>	<u>(27,216,466,968)</u>
<b>Cash Flows from Financing Activities:</b>		
Interest paid	(3,188,688,547)	(3,237,490,917)
Payment of long-term loans	(7,939,985,700)	(7,395,857,717)
Proceeds from long-term loans	10,000,000,000	10,400,000,000
Payment of finance lease liabilities	(713,742,136)	(836,592,797)
Remittance to the Ministry of Finance	(12,271,000,000)	(13,534,000,000)
Net cash used in financing activities	<u>(14,113,416,383)</u>	<u>(14,603,941,431)</u>
Net (decrease) increase in cash and cash equivalents	(6,502,192,465)	7,861,626,392
Cash and cash equivalents at the beginning of the period	<u>10,940,091,492</u>	<u>3,078,465,100</u>
Cash and cash equivalents at the end of the period	4.1, 5.1 <u>4,437,899,027</u>	<u>10,940,091,492</u>

The notes to financial statements are an integral part of these financial statements.

## THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Unit: Baht	
	Separate financial statements	
	2015	2014
<b>Cash Flows from Operating Activities:</b>		
Profit for the year	21,072,322,225	20,397,004,355
Adjustments of net profit to net cash provided by (used in)		
operating activities:		
Depreciation and amortization	18,923,920,832	17,594,537,740
Bad debts and doubtful accounts	(5,433,333)	104,299,835
Provision for obsolete materials and supplies	(34,835,721)	(2,800,441)
Amortization of deferred revenues	(3,635,280,475)	(3,338,220,265)
Employee benefit obligations	321,176,247	447,396,797
Long-term provisions	192,802,001	(4,550,108)
Loss on disposal of assets	79,892,384	1,179,636
(Gain) loss on disposal of materials and supplies	(13,223,636)	2,285,159
Gain on foreign exchange	(31,347,361)	(135,469,126)
Interest income	(1,379,610,609)	(1,348,215,429)
Interest expense	3,310,823,194	3,404,422,798
Profit from operating activities before changes in operating assets and liabilities	38,801,205,748	37,121,870,951
Changes in operating assets (increase) decrease		
Trade accounts receivable	(250,637,748)	(2,084,802,792)
Materials and supplies	956,147,885	1,627,616,938
Special-purpose deposits at financial institutions	(2,587,259,118)	(3,024,489,982)
Accrued revenues	(5,133,172,033)	721,447,617
Interest received	1,436,036,928	1,347,612,314
Undue input VAT	(92,397,570)	(325,195,638)
Advance payments to suppliers	35,410,516	(103,504,156)
Other current assets	530,780,207	85,787,426
Other non-current assets	(33,200,991)	12,930,862
Changes in operating liabilities increase (decrease)		
Trade accounts payable	577,055,448	5,657,469,921
Other payables	(410,710)	205,840,610
Advance received per contract	231,458,634	127,707,000
Deposits payable	50,018,973	19,632,808

The notes to financial statements are an integral part of these financial statements.

## THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

		Unit: Baht	
		Separate financial statements	
	Notes	2015	2014
Accrued expenses		534,505,521	(267,168,501)
Other current liabilities		462,434,634	(508,288,693)
Construction obligations		350,182,557	104,218,062
Deferred revenues		7,091,459,611	7,011,308,074
Electricity usage guarantee		1,628,899,353	1,709,977,859
Sales and service guarantee		31,348,257	250,206,286
Employee gratuity fund		(6,182,920)	(3,630,655)
Other non-current liabilities		93,042,182	-
Net cash provided by operating activities		<u>44,706,725,364</u>	<u>49,686,546,311</u>
<b>Cash Flows from Investing Activities:</b>			
Payment of short-term investments		(11,047,000,000)	-
Payment of investments in subsidiary		(25,908,750)	(102,500,000)
Payment of property, plant and equipment		(3,674,975,651)	(4,366,487,502)
Payment of constructions in progress		(22,011,395,897)	(22,214,785,190)
Interest expense capitalized to constructions in progress		(404,393,697)	(253,734,558)
Proceeds from disposal of property, plant and equipment		15,651	118,573
Payment of intangible assets		(65,768,651)	(216,506,007)
Payment of investment property		(655,500)	-
Net cash used in investing activities		<u>(37,230,082,495)</u>	<u>(27,153,894,684)</u>
<b>Cash Flows from Financing Activities:</b>			
Interest paid		(3,188,688,547)	(3,237,490,917)
Payment of long-term loans		(7,939,985,700)	(7,395,857,717)
Proceeds from long-term loans		10,000,000,000	10,400,000,000
Payment of finance lease liabilities		(713,007,494)	(836,007,807)
Remittance to the Ministry of Finance		(12,271,000,000)	(13,534,000,000)
Net cash used in financing activities		<u>(14,112,681,741)</u>	<u>(14,603,356,441)</u>
Net (decrease) increase in cash and cash equivalents		(6,636,038,872)	7,929,295,186
Cash and cash equivalents at the beginning of the period		<u>10,699,759,898</u>	<u>2,770,464,712</u>
Cash and cash equivalents at the end of the period	4.1, 5.1	<u>4,063,721,026</u>	<u>10,699,759,898</u>

The notes to financial statements are an integral part of these financial statements.

THE PROVINCIAL ELECTRICITY AUTHORITY AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

---

**1. General Information**

The Provincial Electricity Authority was established as a state enterprise for public utility under the Provincial Electricity Authority Act, B.E. 2503 (1960) and is located at 200 Ngamwongwan Road, Ladyao, Chatuchak, Bangkok 10900. The main objective of Provincial Electricity Authority is to generate, obtain, distribute and sell electricity energy to people, businesses and industrial sectors in 74 provinces throughout Thailand, with the exception of Bangkok, Nonthaburi, and Samut Prakan provinces.

The Provincial Electricity Authority has extensive transactions and relationships with the Electricity Generating Authority of Thailand (EGAT). Most of electricity energy sold to customers by Provincial Electricity Authority was purchased from EGAT. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if Provincial Electricity Authority has operated without such affiliations.

**2. Basis of Financial Statements Presentation**

**2.1 Basis of consolidated and separate financial statements preparation**

The consolidated and the separate financial statements have been prepared in accordance with Thai Financial Reporting Standards and generally accepted accounting principles under Accounting Act, B.E. 2543 (2000), which include accounting standards under the Accounting Profession Act B.E. 2547 (2004), including interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP), and the notification of the Department of Business Development "Definition of the abbreviated components required in the Financial Statements, B.E. 2554 (2011)", dated September 28, B.E. 2554 (2011).

The consolidated and the separate financial statements have been prepared under the historical cost convention with the exception as disclosed in Note 4 Summary of Significant Accounting Policies.

Consolidated financial statements include financial statements of Provincial Electricity Authority and financial statements of its subsidiary, PEA Encom International Company Limited after elimination of related company transactions and balances. PEA Encom International Co., Ltd. was established in Thailand in which Provincial Electricity Authority has controlled and held over 50% of paid-up share capital.

Shareholding proportion and amount of investments in associates and investments in subsidiary are presented in Notes 5.8 and 5.9, respectively.

Investments in associates are recorded in the consolidated financial statements under the equity method.

Separate financial statements include financial statements of Provincial Electricity Authority which include transactions of PEA Employee Gratuity Fund and investments in subsidiary and associates are recorded under the cost method.

This English translation of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.



2.2 Thai Accounting Standards, Thai Financial Reporting Standards, Thai Standing Interpretations and Thai Financial Reporting Interpretations are announced in the Government Gazette as follows:

**2.2.1 Effective for the current accounting period**

Provincial Electricity Authority has applied Thai accounting standards, Thai financial reporting standards, Thai standing interpretations and Thai financial reporting interpretations, which are newly issued and revised by FAP which are effective for accounting periods beginning on or after January 1, 2015 onward, including TFRS 4 (revised 2015) Insurance Contracts which will be effective for accounting periods beginning on or after January 1, 2016 onward. The management of Provincial Electricity Authority determined that the applications will not have significant impacts on accounting policies and the financial statements of Provincial Electricity Authority and its subsidiary.

**2.2.2 Effective for accounting periods beginning on or after January 1, 2015 are as follows:**

**Conceptual Framework for Financial Reporting (revised 2015)**

Thai Accounting Standards	Title
- No.1 (revised 2015)	Presentation of Financial Statements
- No.2 (revised 2015)	Inventories
- No.7 (revised 2015)	Statement of Cash Flows
- No.8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
- No.10 (revised 2015)	Events after the Reporting Period
- No.11 (revised 2015)	Construction Contracts
- No.12 (revised 2015)	Income Taxes
- No.16 (revised 2015)	Property, Plant and Equipment
- No.17 (revised 2015)	Leases
- No.18 (revised 2015)	Revenue
- No.19 (revised 2015)	Employee Benefits
- No.20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
- No.21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
- No.23 (revised 2015)	Borrowing Costs
- No.24 (revised 2015)	Related Party Disclosures
- No.26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
- No.27 (revised 2015)	Separate Financial Statements
- No.28 (revised 2015)	Investment in Associates and Joint Ventures

<b>Thai Accounting Standards</b>	<b>Title</b>
- No.29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
- No.33 (revised 2015)	Earnings per Share
- No.34 (revised 2015)	Interim Financial Reporting
- No.36 (revised 2015)	Impairment of Assets
- No.37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
- No.38 (revised 2015)	Intangible Assets
- No.40 (revised 2015)	Investment Property
- No.41	Agriculture
<b>Thai Financial Reporting Standards</b>	<b>Title</b>
- No.2 (revised 2015)	Share-based Payment
- No.3 (revised 2015)	Business Combinations
- No.4 (revised 2015)	Insurance Contracts
- No.5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
- No.6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
- No.8 (revised 2015)	Operating Segments
- No.10 (revised 2015)	Consolidated Financial Statements
- No.11 (revised 2015)	Joint Arrangements
- No.12 (revised 2015)	Disclosure of Interests in Other Entities
- No.13 (revised 2015)	Fair Value Measurement
<b>Thai Standing Interpretations</b>	<b>Title</b>
- No.10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
- No.15 (revised 2015)	Operating Leases – Incentives
- No.25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
- No.27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- No.29 (revised 2015)	Service Concession Arrangements: Disclosures
- No.31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
- No.32 (revised 2015)	Intangible Assets - Web Site Costs

Thai Financial Reporting Interpretations	Title
- No.1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
- No.4 (revised 2015)	Determining whether an Arrangement contains a Lease
- No.5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- No.7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
- No.10 (revised 2015)	Interim Financial Reporting and Impairment
- No.12 (revised 2015)	Service Concession Arrangements
- No.13 (revised 2015)	Customer Loyalty Programmes
- No.14 (revised 2015)	TAS 19 (revised 2015) The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- No.15 (revised 2015)	Agreements for the Construction of Real Estate
- No.17 (revised 2015)	Distributions of Non-cash Assets to Owners
- No.18 (revised 2015)	Transfers of Assets from Customers
- No.20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
- No.21	Levies

The management of Provincial Electricity Authority and its subsidiary plans to apply Thai Accounting Standards, Thai Financial Reporting Standards, Thai Standing Interpretations, and Thai Financial Reporting Interpretations which are relevant to Provincial Electricity Authority and its subsidiary. The period for an initial application of the standards and interpretations to the financial statements of Provincial Electricity Authority and its subsidiary will be based on an effective date for each of the standards and interpretations, accordingly. The management of Provincial Electricity Authority assesses that these financial reporting standards will not have any significant impacts on the financial statements for the period when they are initially applied.

### 3. Retrospective restatement and reclassification

#### 3.1 Retrospective Restatement

Provincial Electricity Authority has applied retrospectively a change in measurement basis for investment property, which has effects on the consolidated and separate statements of financial position as at December 31, 2014 and 2013, and the consolidated and separate statements of comprehensive income, and the consolidated and separate statements of changes in equity for the year ended December 31, 2014 and 2013.

### 3.2 Reclassification

Some items presented in statements of comprehensive income for the year ended December 31, 2014 are reclassified in accordance with the presentation of statements of comprehensive income for the year ended December 31, 2015.

	Consolidated financial statements			Unit: Million Baht
	Before adjustment	Adjustment	Reclassified	After adjustment
<b>Statements of financial position as at December 31, 2014</b>				
Investment property	74.79	262.10	-	336.89
Deferred revenues	39,716.89	237.52	-	39,954.41
Unappropriated retained earnings	127,223.40	24.58	-	127,247.98
<b>Statements of financial position as at December 31, 2013</b>				
Investment property	72.42	272.68	-	345.10
Deferred revenues	36,035.62	245.70	-	36,281.32
Unappropriated retained earnings	117,193.56	26.98	-	117,220.54
<b>Statements of comprehensive income for the year ended December 31, 2014</b>				
Other operating revenues	12,427.24	8.18	-	12,435.42
Depreciation and amortization expenses	17,575.76	10.57	-	17,586.33
Other operating expenses	5,112.53	-	(32.36)	5,080.17
Other expenses	21.66	-	32.36	54.02
Profit for the year	20,422.16	(2.39)	-	20,419.77
Total comprehensive income (loss) for the year	20,298.06	(2.39)	-	20,295.67
<b>Statements of changes in equity</b>				
<b>Balance as at January 1, 2014</b>				
Unappropriated retained earnings	117,193.56	26.98	-	117,220.54
Total equity	122,083.06	26.98	-	122,110.04
<b>Statements of changes in equity</b>				
<b>Balance as at December 31, 2014</b>				
Unappropriated retained earnings	127,223.40	24.58	-	127,247.98
Total equity	132,112.90	24.58	-	132,137.48

	Unit: Million Baht			
	Separate financial statements			
	Before adjustment	Adjustment	Reclassified	After adjustment
<b>Statements of financial position</b>				
<b>as at December 31, 2014</b>				
Investment property	74.79	262.10	-	336.89
Deferred revenues	39,716.89	237.52	-	39,954.41
Unappropriated retained earnings	127,238.50	24.58	-	127,263.08
<b>Statements of financial position</b>				
<b>as at December 31, 2013</b>				
Investment property	72.42	272.68	-	345.10
Deferred revenues	36,035.62	245.70	-	36,281.32
Unappropriated retained earnings	117,231.43	26.98	-	117,258.41
<b>Statements of comprehensive income</b>				
<b>for the year ended December 31, 2014</b>				
Other operating revenues	12,418.95	8.18	-	12,427.13
Depreciation and amortization expenses	17,575.07	10.57	-	17,585.64
Other operating expenses	5,101.14	-	(32.36)	5,068.78
Other expenses	21.66	-	32.36	54.02
Profit for the year	20,399.39	(2.39)	-	20,397.00
Total comprehensive income (loss) for the year	20,275.29	(2.39)	-	20,272.90
<b>Statements of changes in equity</b>				
<b>Balance as at January 1, 2014</b>				
Unappropriated retained earnings	117,231.43	26.98	-	117,258.41
Total equity	122,120.93	26.98	-	122,147.91
<b>Statements of changes in equity</b>				
<b>Balance as at December 31, 2014</b>				
Unappropriated retained earnings	127,238.50	24.58	-	127,263.08
Total equity	132,128.00	24.58	-	132,152.58

#### 4. Summary of Significant Accounting Policies

##### 4.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits at banks and financial institutions with original maturities of 3 months or less, excluding deposits at banks used as collateral.

##### 4.2 Trade accounts receivable

Trade accounts receivable are stated at net realizable value. Allowance for doubtful accounts are based on contingent loss from uncollectible receivables which are estimated from historical collection experiences and a review of the current status of the non-governmental or state enterprise receivables outstanding at the statement of financial position date, after deducting electricity usage guarantee in accordance with the regulation of the Ministry of Finance regarding "Accounting and Finance of Government Enterprise, B.E. 2548 (2005)" and a resolution of PEA's Audit Committee Meeting No. 3/2549 dated on March 10, 2006 as follows:

Overdue period	Percentage of allowance for doubtful accounts
Over 6 months - 1 year	50
Over 1 year	100

Increases and decreases in allowance for doubtful accounts are recognized as expenses or income for the period when incurred.

##### 4.3 Materials and supplies

Materials and supplies are stated at the lower of the cost or net realizable value. Cost is determined using the weighted average cost method. Allowance is made in full for obsolete materials and supplies, materials and supplies under investigation and materials and supplies pending for claim.

##### 4.4 Special-purpose deposits at financial institutions

Special-purpose deposits at financial institutions consist of:

4.4.1 Special-purpose deposits at financial institutions, which are presented as current assets in statements of financial position, are deposits to be used within one accounting period and with the specific purposes and conditions which are electricity usage guarantee fund, sinking fund for repayment of bonds, and PEA fund for guarantee of employees' loans. All of which can be used in Provincial Electricity Authority's activities in case of Provincial Electricity Authority having deficits in working capital. Interest from electricity usage guarantee fund is used for benefits of electricity users, interest from KFW Fund for scholarships is used for training, analysis and research, and subsidy received from government and other governmental agencies for projects such as subsidy from Energy Conservation Policy from the Energy Policy and Planning Office.

4.4.2 Special-purpose deposits at financial institutions, which are presented as non-current assets in statements of financial position, are deposits to be used longer than one accounting period, and cannot be used for operating activities such as PEA Employee Gratuity Fund.

**4.5 Investments in associates**

Investments in associates are presented in the consolidated financial statements under the equity method

**4.6 Investments in subsidiary**

Investments in subsidiary are presented in the separate financial statements under the cost method.

In case an impairment of investment has occurred, impairment loss of investment will be recognized in the statements of comprehensive income.

**4.7 Investment property**

Investment property comprises of property and plant acquired for used in the operation but has not been utilized and/or property and plant owned to earn rentals. Provincial Electricity Authority has adopted to measured using the cost method. Subsequently investment property is presented at cost after deducting accumulated depreciation and accumulated impairment losses of assets (if any).

**4.8 Property, plant and equipment**

Provincial Electricity Authority's policies for property, plant and equipment, and depreciation are summarized as follows:

Property, plant and equipment are initially recognized at cost which is calculated from purchase prices plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operation in the manner intended. Self-constructed assets are recorded at construction costs, consisting of material costs, direct labor and construction-related expenses.

Property is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses of assets (if any).

Property comprises of land used in the operation and land acquired for operating objective with certain plan of usage within one year.

Depreciation of plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Percentage per annum
Buildings and constructions	3 and 6.25
Electricity generating systems	3 - 20
Electricity distributing systems	4 - 20
Furniture, tools, equipment and vehicles	4 - 20

When property, plant and equipment are impaired, the impairment losses will be recognized in the statements of comprehensive income.

In case of disposal, Provincial Electricity Authority writes off cost of assets and its accumulated depreciation from the accounts, and recognizes gain or loss on disposal of assets as other income or other expenses in the statements of comprehensive income.

#### **4.9 Constructions in progress**

Constructions in progress include construction costs, borrowing costs incurred on direct costs associated with the borrowing of funds used for the construction, and other costs which are directly related to construction or preparation of the property for its intended use. Constructions in progress are not included in calculation of depreciation.

#### **4.10 Intangible assets**

Intangible assets comprise of computer software licenses and computer software systems for core business that are stated at cost less accumulated amortization and accumulated impairment losses (if any).

Amortization of computer software licenses and computer software systems for core business is calculated using the straight-line method over the lease period and recognized as expenses in the statements of comprehensive income.

Intangible assets which are impaired will be recognized as other operating expenses in the statements of comprehensive income when incurred.

#### **4.11 Foreign currency transactions**

Foreign currency transactions are translated into Thai Baht by the exchange rates prevailing at the transaction date. Monetary assets and liabilities at the statements of financial position date which are denominated in foreign currencies are translated into Baht at the reference exchange rates announced by the Bank of Thailand at such date. Gains or losses on exchange arising on settlements and translations are recognized as revenues or expenses for the period when incurred.

#### **4.12 Financial instruments**

Financial assets, presented at the statement of financial position date of Provincial Electricity Authority, comprises of cash and cash equivalents, and trade accounts receivable. Financial liabilities are obligations under contracts comprising trade accounts payable, other payables, other current liabilities, short-term loans and long-term loans.

#### **4.13 Long-term provisions**

Provincial Electricity Authority records the provisions in the statements of financial position if Provincial Electricity Authority has contingent liabilities arising from legal claims or result of a past event which is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and it can be estimated with sufficient reliability. The actual results may differ from those estimates.

Provincial Electricity Authority recognizes the provisions with the best estimate of the expenditure required to settle the present obligation at the statement of financial position date by considering risks and uncertainties that inevitably surround obligations. The provisions are measured based on expected cash flows associated with the present obligation as present value of the expected cash flows associated with that present obligation.

Provisions due within one year are classified as short-term provisions and provisions due more than one year are classified as long-term provisions.



#### 4.14 Deferred revenues

4.14.1 Contributions for constructing electricity distributing systems represent cash collected from people who request to use the electricity in order to reduce the burden of Provincial Electricity Authority for construction of the electricity distributing systems. Ownership of the systems including responsibility for maintenance and repair belong to Provincial Electricity Authority. Such contributions are presented as deferred revenues in the statements of financial position and recognized as revenues at the rate of 5% per annum when the construction is completed (the rate is equal to the depreciation rate of Provincial Electricity Authority's electricity distributing system assets).

4.14.2 Contribution revenues represent assets received from donation which are used in operations. Most of such assets are electricity distribution systems that the electricity users donate to Provincial Electricity Authority, which Provincial Electricity Authority is responsible for maintenance. Such assets are presented as deferred revenues from acquisition of donated assets in the statements of financial position and recognized as revenues at the rate in accordance with depreciation rates of such assets over their useful lives.

Assets received from donation which are not used in operations are recognized as other non-operating revenues in the statements of comprehensive income in the period of acquisition.

4.14.3 Contribution revenues from foreign financial institutions represent contributions from foreign financial institutions in form of interest discount to be used for various purposes of Provincial Electricity Authority. Such revenues are presented as deferred revenues in the statements of financial position and recognized as revenues based on the actual amount of expenses incurred.

4.14.4 Deferred revenues from rental represent rental income which Provincial Electricity Authority has received in advance from third parties whom rent the raw lands of Provincial Electricity Authority. And deferred revenues will be recognized as rental income from investment property over the lease period.

#### 4.15 Electricity usage guarantee

Electricity usage guarantee is the money that electricity users deposit to Provincial Electricity Authority for guarantee of electricity usage. Provincial Electricity Authority deposits into the bank account named "Electricity Usage Guarantee Fund" to reserve fund for refunding of electricity usage guarantee to electricity users. Any interest income earned is separately deposited in the bank account named "Interest from Electricity Usage Guarantee Fund." Provincial Electricity Authority will use interest of the fund to repay as interest on deposit for electricity usage guarantee to the electricity users according to the requirement of the Energy Regulatory Commission and will use in activities that are beneficial and/or other public interests to electricity users.

Provincial Electricity Authority has set the Regulation on supervision of Electricity Usage Guarantee Fund (2014) and appointed the committee which is responsible for supervising and controlling an operation of Electricity Usage Guarantee Fund and interest from Electricity Usage Guarantee Fund. Provincial Electricity Authority has to made fund transfer at the amount equal to the net increase in electricity usage guarantee for each month to the "Electricity Usage Guarantee Fund" account. In case of working capital deficiency or liquidity difficulty, Provincial Electricity Authority can use the electricity usage guarantee fund as a working capital under consideration and approval of the Board of Directors of Provincial Electricity Authority. Then, Provincial Electricity Authority will be required to repay to electricity usage guarantee fund for not less than Baht 100 million each month by depositing into the "Electricity Usage Guarantee Fund" account until the amount is fully covered. Also, Provincial Electricity Authority is required to make a payment of interest at the interest rate of savings account for state enterprises specified by Krung Thai Bank Public Company Limited by depositing into the "Interest from Electricity Usage Guarantee Fund". In case of working capital deficiency or liquidity difficulty, the repayment can be postponed under the approval of the Governor and should be reported to the Board of Directors.

#### **4.16 Employee Gratuity Fund**

Provincial Electricity Authority has established Employee Gratuity Fund for the purpose of giving aid to employees in case of termination without guilt in accordance with the Regulations of the Provincial Electricity Authority on Employee Gratuity Fund and Benefit for PEA Employees, B.E. 2522 (1979). Provincial Electricity Authority pays monthly contribution at the rate of 10% of employee salaries and recognizes as an expense in the statements of comprehensive income of Provincial Electricity Authority. In this regard, transactions of employee gratuity fund are included in the financial statements of Provincial Electricity Authority and also eliminate the related party transactions.

#### **4.17 Employee benefits**

##### **4.17.1 Short-term employee benefits**

Short-term employee benefits comprise salaries, overtimes, bonuses, compensated absences and other short-term benefits in accordance with the contract of employment. Short-term employee benefits will be recognized as employee expenses in the statements of comprehensive income on accrual basis.

##### **4.17.2 Post-employment benefits**

###### **4.17.2.1 Defined contribution plan**

Provincial Electricity Authority has established the provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987) which employees have option to pay into the fund accumulated at the rate of 3 – 11% of the salary of each and Provincial Electricity Authority will pay into the fund at the rate of 9 – 11% of salary of members of the fund to defined contribution plans.

Provincial Electricity Authority's contributions are recognized as employee expenses in the statements of comprehensive income. Provincial Electricity Authority has also established employee gratuity fund according to Note 5.25.

###### **4.17.2.2 Defined benefit plan**

Provincial Electricity Authority's defined benefit plan comprises remuneration under the State Enterprise Labor Relations Act, B.E. 2543 (2000), compensation under Labor Law, compensated absences of employees who are dismissed without committing an offense under the law, souvenir for retired employees and other post-employment benefits in accordance with the contract of employment.

Since January 1, 2011, Provincial Electricity Authority has provisions for defined benefit plan are calculated by the actuarial technique using projected unit credit method. The estimation future cash flows shall reflect which are calculated on the basis of employee salaries, turnover rate, mortality, length of service and other factors.

Provincial Electricity Authority recognizes provisions for defined benefit plan in the statements of financial position at net present value of employee benefit obligations based on unrecognized past services and fair value of project assets (if any). Provincial Electricity Authority also recognizes defined benefit plan expenses as expenses related to employment in the statements of comprehensive income.

Actuarial gains (losses) occurred are recognized in the statements of comprehensive income.

#### 4.17.3 Other long-term employee benefits

Provincial Electricity Authority has given a welfare for employees who work for the complete agreed period as other long-term employee benefits. Provincial Electricity Authority accounts these employee benefits by using projected unit credit method which are calculated by the actuary.

#### 4.18 Technology research and development fund

Provincial Electricity Authority has established technology research and development fund, according to the policy of the Office of the National Economic and Social Development Board, to continuously promote and support existing and new technology research and development in highly efficient manner. The fund aims to reduce the dependence and importation of technology from abroad. Consequently, Provincial Electricity Authority is able to apply the results of research and development to its operations in the highest efficiency. Provincial Electricity Authority has contributed from its budget as a fund granted to domestic educational institutions, domestic research and development institutions and business units within Provincial Electricity Authority.

The contributions of technology research and development are recognized as an expense when incurred.

#### 4.19 Revenue recognition

Sales of electricity energy are recognized on a monthly basis in accordance with a cyclical recording of electricity usage units of the customers from electric meters.

Sales of electricity equipment are recognized when goods are delivered, and the ownership is transferred to customers.

Income from constructions for electricity users is recognized based on proportion to actual costs incurred.

Deferred contributions for construction are recognized as income at the rate of 5% per annum (equal to depreciation rate of Provincial Electricity Authority's electricity distributing system assets).

Interest income is recognized as it accrues on a time proportion basis taking into account the principal amount outstanding and the effective interest rate.

#### 4.20 Executive remuneration

Executive remuneration represents the compensation paid to directors and management who have the power to decide which includes both of monetary and remunerations benefit.

#### 4.21 Financial costs

Financial costs represent costs incurred from seeking operational funds which include interest expense and fee paid.

Interest and other expenses, directly attributable to constructions of buildings and electricity generating and distributing systems, are incurred from loans made specifically for purpose of acquiring fixed assets are capitalized as costs of assets, and interest expense incurred from loans made on general purpose are capitalized as a part of the costs of the assets at the capitalization rate. Interest and other expenses incurred subsequent to the completion of construction are recognized as expenses for the period in the statements of comprehensive income.

#### 4.22 Related party transactions

Related parties are individuals or enterprises that control or are controlled, directly or indirectly by Provincial Electricity Authority, or are under common control with Provincial Electricity Authority. Moreover, related parties also include associates and individuals who have direct or indirect voting rights that result in significant influence on Provincial Electricity Authority, executives, directors or employees and close member of that person's family is related to Provincial Electricity Authority's executives who have control over Provincial Electricity Authority.

#### 4.23 Use of judgments and significant accounting estimates

To prepare of financial statements in conformity with generally accepted accounting principles, management has to make estimates and several assumptions that affect amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from the estimates such as allowance for doubtful accounts, allowance for obsolete materials and supplies and allowance for loss or misstated or lost materials.

#### 4.24 Operating Segments

Provincial Electricity Authority presents operating segments by geographical areas in which Provincial Electricity Authority's management, administration and financial reporting structure are criteria for determining segmentation.

Provincial Electricity Authority has 5 geographical segments which include northern, northeastern, central, southern areas and headquarter. Each area is responsible for distributing electricity in its own area. The headquarter is responsible for setting policies and plans as well as providing all necessary materials to the regional areas.

According to PEA accounting policies for operating segments, each of the operating segments recognize revenues based on the amount of electricity sold in its own areas. Provincial Electricity Authority also allocates its cost of sales from headquarter to each of the operating segments based on actual cost occurred.

Assets of each regional area are those assets used in operating activities by each of the operating segment and related activities.

Liabilities of each regional area are those liabilities incurred from operating activities by each of the operating segment and related activities, except accounts payable-electricity, long-term loans, accrued remittance to the Ministry of Finance and liabilities under financial leases which the headquarter does not allocate those items to each of the operating segments.

## 5. Supplementary information

## 5.1 Cash and cash equivalents consist of:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Cash	30.57	34.04	30.55	34.04
Cash at banks:				
- Current accounts	0.35	32.88	0.35	32.88
- Savings accounts	1,114.70	10,690.80	1,032.82	10,632.84
- Fixed deposits	3,292.28	182.37	3,000.00	-
<b>Total</b>	<b>4,437.90</b>	<b>10,940.09</b>	<b>4,063.72</b>	<b>10,699.76</b>

## 5.2 Short-term investment

Short-term investment in the consolidated and separate financial statements as at December 31, 2015, amounting to Baht 11,047.00 million is fixed deposit with maturity of 6 months with a financial institution.

## 5.3 Trade accounts receivable consist of:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Accounts receivable from sales of electricity	32,445.78	32,195.34	32,445.78	32,195.34
Accounts receivable from sales of equipment and rendering of services	1,191.74	1,168.30	1,190.97	1,167.24
<b>Total</b>	<b>33,637.52</b>	<b>33,363.64</b>	<b>33,636.75</b>	<b>33,362.58</b>

## 5.3.1 Accounts receivable from sales of electricity are as follows:

	Unit: Million Baht			
	Consolidated and separate financial statements			
	Dec. 31, 2015			Dec. 31, 2014
	Public Sector	Private Sector	Total	Total
Outstanding period				
1 month - 6 months	4,092.12	30,236.22	34,328.34	33,954.24
Over 6 months - 1 year	70.42	58.71	129.13	295.24
Over 1 year	126.51	1,408.12	1,534.63	1,507.80
	4,289.05	31,703.05	35,992.10	35,757.28
Less Undue VAT from sales	278.42	2,051.27	2,329.69	2,311.75
	4,010.63	29,651.78	33,662.41	33,445.53
Less Allowance for doubtful accounts	-	1,216.63	1,216.63	1,250.19
<b>Total</b>	<b>4,010.63</b>	<b>28,435.15</b>	<b>32,445.78</b>	<b>32,195.34</b>

## 5.3.2 Accounts receivable from sales of equipment and rendering of services are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Receivables from sales and rendering of services	287.72	263.74	286.95	262.68
Receivables from construction obligations	916.54	868.10	916.54	868.10
Receivables from construction obligations due from TT&T Plc.	-	938.76	-	938.76
Other receivables	148.23	192.17	148.23	192.17
	<u>1,352.49</u>	<u>2,262.77</u>	<u>1,351.72</u>	<u>2,261.71</u>
Less Undue VAT from sales	88.33	147.77	88.33	147.77
	<u>1,264.16</u>	<u>2,115.00</u>	<u>1,263.39</u>	<u>2,113.94</u>
Less Allowance for doubtful accounts	72.42	946.70	72.42	946.70
<b>Total</b>	<u><b>1,191.74</b></u>	<u><b>1,168.30</b></u>	<u><b>1,190.97</b></u>	<u><b>1,167.24</b></u>

Receivables from construction obligations due from TT&T Plc. are receivables that were authorized by the Telephone Organization of Thailand [at present, TOT corporation Public Company Limited] to carry out business relating to obtain a permission to put up the distribution poles and electric power lines, to make a payment and to communicate and coordinate with Provincial Electricity Authority on project for expansion of the one million telephone lines within the provincial region. The outstanding balance of the receivables from construction obligations is at Baht 1,129.07 million. Provincial Electricity Authority has filed a request for debt settlement to official receiver at rehabilitation office of Legal Execution Department. And, the official receiver ordered TT&T Plc. to make a payment to Provincial Electricity Authority amounting to Baht 229.77 million with an interest at the rate of 7.5% per annum on the principal amount of receivable of Baht 192.25 million from May 5, 2000 onward, which is the date when the Central Bankruptcy Court had an order to file for rehabilitation. Provincial Electricity Authority claims the right to file a statement of defense to the Central Bankruptcy Court and the Supreme Court, respectively. The courts adjudicated to affirm the official receiver order. So, TT&T Plc. has settled its debt by issuing its ordinary shares amounting to Baht 267.73 million to Provincial Electricity Authority on September 30, 2002.

In addition, Provincial Electricity Authority has authorized the public prosecutor to file the civil case against the Telephone Organization of Thailand to make a payment amounting to Baht 1,133.82 million as undecided case No. 5389/2544 on November 1, 2001. The Civil Court had the order No. 6554/2545 on May 17, 2006, has affirmed the order of official receiver. Subsequently, the chief prosecutor has appealed to the Court of Appeal, and the Court of Appeal had an order No. 11396/2553 on July 23, 2010, to adjudge to dismiss the plaintiff's plaint. Currently, the Supreme Court has an order No. 6952/2557 on June 3, 2014, and has affirmed the judgment of the Court of Appeals to dismiss the plaintiff's plaint.

As at December 31, 2015, there is no ending balance of receivables from construction obligations due from TT&T Plc because Provincial Electricity Authority has made adjustment and write off balance on March 31, 2015. As at December 31, 2014, receivables from construction obligations amounting to Baht 938.76 million include receivables from construction obligations amounting to Baht 877.35 million and undue output VAT from sales amounting to Baht 61.41 million, which Provincial Electricity Authority has made full provision of Baht 877.35 million.

5.4 Materials and supplies consist of:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Materials and supplies				
Operating materials and supplies	585.51	475.36	585.51	475.36
Materials and supplies for				
construction and maintenance	542.81	566.62	539.21	566.62
Materials and supplies for repair	1,092.80	1,363.74	1,092.80	1,363.74
Demolition materials and supplies,				
and obsolete materials and supplies	263.66	207.49	263.66	207.49
Materials and supplies pending for adjustments	47.35	85.70	47.35	85.70
	<u>2,532.13</u>	<u>2,698.91</u>	<u>2,528.53</u>	<u>2,698.91</u>
Materials and supplies in transit	6.93	5.06	6.93	5.06
	<u>2,539.06</u>	<u>2,703.97</u>	<u>2,535.46</u>	<u>2,703.97</u>
Less Allowance for obsolete materials and supplies	12.20	8.68	12.20	8.68
Allowance for loss or misstated or lost materials				
and supplies under investigation	47.35	85.70	47.35	85.70
<b>Total</b>	<u><u>2,479.51</u></u>	<u><u>2,609.59</u></u>	<u><u>2,475.91</u></u>	<u><u>2,609.59</u></u>

For the years ended December 31, 2015 and 2014, allowance for materials and supplies is recognized as decrease in expenses amounting to Baht 34.84 million and Baht 2.80 million, respectively.

## 5.5 Special-purpose deposits at financial institutions consist of:

Unit: Million Baht

Consolidated and separate financial statements

	Dec. 31, 2015	Dec. 31, 2014
Electricity usage guarantee fund (Note 5.24)		
Current accounts	0.001	0.001
Savings accounts	0.012	0.012
Fixed deposits	23,475.64	21,864.62
	<u>23,475.65</u>	<u>21,864.63</u>
Sinking fund for repayment of bonds		
Current accounts	0.001	0.001
Savings accounts	10.37	2,585.44
Fixed deposits	5,161.46	3,031.12
	<u>5,171.83</u>	<u>5,616.56</u>
Interest from electricity usage guarantee fund		
Current accounts	0.001	0.001
Savings accounts	9.88	25.49
Fixed deposits	3,476.89	2,801.06
	<u>3,486.77</u>	<u>2,826.55</u>
Interest from KFW fund		
Current accounts	0.001	0.002
Savings accounts	15.52	13.18
Fixed deposits	139.21	132.21
	<u>154.73</u>	<u>145.39</u>
Subsidy from energy conservation policy from the Energy Policy and Planning Office and other governmental agencies		
Savings accounts	0.003	20.88
	<u>0.003</u>	<u>20.88</u>
PEA fund for guarantee of employees' loans		
Current accounts	0.004	0.004
Savings accounts	2,565.83	1,793.55
	<u>2,565.83</u>	<u>1,793.55</u>
<b>Total</b>	<u><u>34,854.82</u></u>	<u><u>32,267.56</u></u>

Electricity usage guarantee fund, PEA fund for guarantee of employees' loans and sinking fund for repayment of bonds are deposits at financial institutions that can be used in Provincial Electricity Authority's activities in case of Provincial Electricity Authority having deficits in working capital. Interest from electricity usage guarantee fund, interest from KFW fund and subsidy from energy conservation policy from the Energy Policy and Planning Office are deposits at financial institutions which are restricted for specific purposes as determined by Provincial Electricity Authority.

Sinking fund for repayment of bonds is used as PEA guarantee for repayment of bonds at the maturity date. Provincial Electricity Authority will periodically deposit to the account for repayment of bonds with maturity period within 3 years.



## 5.6 Accrued revenues consist of:

	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Accrued interest	725.38	781.88	725.13	781.56
Accrued revenues from the				
Power Development Fund	7,933.34	2,827.89	7,933.34	2,827.89
Other accrued revenues	183.73	156.01	183.73	156.01
<b>Total</b>	<b>8,842.45</b>	<b>3,765.78</b>	<b>8,842.20</b>	<b>3,765.46</b>

As at December 31, 2015 and 2014, accrued revenues from the Power Development Fund partly includes refundable VAT from the Power Development Fund amounting to Baht 1,536.61 million and Baht 1,300.52 million, respectively.

## 5.7 Other current assets consist of:

	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Employee receivables	118.35	79.27	118.35	79.27
Other receivables	406.55	411.35	406.25	411.33
Prepaid expenses	22.66	17.75	106.55	17.64
Suspense accounts	32.57	704.14	32.57	704.14
Inter-account between PEA and				
Employee Gratuity Fund	0.03	0.71	0.03	0.71
Withholding income tax	0.69	0.23	-	-
<b>Total</b>	<b>580.85</b>	<b>1,213.45</b>	<b>663.75</b>	<b>1,213.09</b>

## 5.8 Investments in associates

Investments in associates in the consolidated financial statements represent the investments of PEA Encom International Company Limited, the subsidiary of Provincial Electricity Authority, which has invested in 4 solar power plants projects since May 12, 2015, and has acquired 25% shareholding for each of the companies. Investments in associates are accounted using the equity method.

As at December 31, 2015, investments in associates consist of:

Associates	Dec. 31, 2015		Dec. 31, 2014	
	Cost	Equity	Cost	Equity
	Method	Method	Method	Method
1. Solar Power (Surin 1) Co., Ltd.	41.25	63.02	41.25	48.67
2. Solar Power (Surin 2) Co., Ltd.	41.25	58.57	41.25	48.94
3. Solar Power (KhonKaen 10) Co., Ltd	41.25	59.45	41.25	48.65
4. Solar Power (Loei 2) Co., Ltd	41.25	60.67	41.25	48.83
	<b>165.00</b>	<b>241.71</b>	<b>165.00</b>	<b>195.09</b>

**5.9 Investments in subsidiary**

Investments in subsidiary represented an investment in PEA Encom International Company Limited. The Company is registered in Thailand with a purpose of investing in electricity-related businesses and conducting training services concerning electricity systems and other private organizations both domestically and internationally. Provincial Electricity Authority has acquired 100% shareholding of its ordinary shares. The investment in subsidiary is accounted using the cost method.

As at December 31, 2015 and 2014, Provincial Electricity Authority has investments in subsidiary in the separate financial statements of Baht 473.28 million and Baht 447.38 million, respectively.

**5.10 Investment property**

	Unit: Million Baht		
	Consolidated and separate financial statements		
	Land and land improvements	Vacant buildings	Total
<b>Cost</b>			
As at January 1, 2015	74.79	289.74	364.53
- Additions	207.66	185.25	392.91
As at December 31, 2015	<u>282.45</u>	<u>474.99</u>	<u>757.44</u>
<b>Accumulated depreciation</b>			
As at January 1, 2015	-	27.64	27.64
- Additions	-	14.79	14.79
As at December 31, 2015	<u>-</u>	<u>42.43</u>	<u>42.43</u>
<b>Net book value</b>			
As at December 31, 2014	<u>74.79</u>	<u>262.10</u>	<u>336.89</u>
As at December 31, 2015	<u>282.45</u>	<u>432.56</u>	<u>715.01</u>

As at December 31, 2015 and 2014, according to the appraisal value announced by the Treasury department, land has total fair value of Baht 1,049.17 million and Baht 295.83 million, respectively, and buildings has fair value of Baht 174.28 million and Baht 110.05 million, respectively.

Provincial Electricity Authority has rental income on investment property for the years ended December 31, 2015 and 2014, amounting to Baht 23.12 million and Baht 15.59 million, respectively. The acquisition cost of land used for rental are Baht 137.69 million and Baht 109.08 million, respectively.

(TRANSLATION)

- 34 -

## 5.11 Property, plant and equipment

	Consolidated financial statements							Unit: Million Baht
	Land and land improvements	Buildings and constructions	Electricity generating systems	Electricity distributing systems	Furniture, tools and equipment	Vehicles	Vehicles from finance leases	
<b>Cost</b>								
As at January 1, 2015	10,755.96	13,655.62	2,237.23	373,865.69	17,558.07	8,425.12	673.74	427,171.43
- Additions	728.44	676.13	28.10	22,868.08	1,112.67	191.02	258.14	25,862.58
- Decreases	398.11	22.55	1.44	1,703.79	312.10	59.44	173.02	2,670.45
As at December 31, 2015	<u>11,086.29</u>	<u>14,309.20</u>	<u>2,263.89</u>	<u>395,029.98</u>	<u>18,358.64</u>	<u>8,556.70</u>	<u>758.86</u>	<u>450,363.56</u>
<b>Accumulated depreciation</b>								
As at January 1, 2015	1,103.24	4,723.24	905.75	177,827.61	9,937.67	6,772.98	240.22	201,510.71
- Additions	112.75	476.09	85.39	16,609.23	1,274.08	267.29	139.51	18,964.34
- Decreases	8.92	37.89	1.44	2,212.08	287.61	58.99	172.16	2,779.09
As at December 31, 2015	<u>1,207.07</u>	<u>5,161.44</u>	<u>989.70</u>	<u>192,224.76</u>	<u>10,924.14</u>	<u>6,981.28</u>	<u>207.57</u>	<u>217,695.96</u>
<b>Net book value</b>								
As at December 31, 2014	<u>9,652.72</u>	<u>8,932.38</u>	<u>1,331.48</u>	<u>196,038.08</u>	<u>7,620.40</u>	<u>1,652.14</u>	<u>433.52</u>	<u>225,660.72</u>
As at December 31, 2015	<u>9,879.22</u>	<u>9,147.76</u>	<u>1,274.19</u>	<u>202,805.22</u>	<u>7,434.50</u>	<u>1,575.42</u>	<u>551.29</u>	<u>232,667.60</u>

	Separate financial statements							Unit: Million Baht
	Land and land improvements	Buildings and constructions	Electricity generating systems	Electricity distributing systems	Furniture, tools and equipment	Vehicles	Vehicles from finance leases	
<b>Cost</b>								
As at January 1, 2015	10,755.96	13,655.62	2,237.23	373,865.69	17,557.33	8,425.13	670.67	427,167.63
- Additions	728.44	676.13	28.10	22,868.08	1,112.35	191.02	258.14	25,862.26
- Decreases	398.11	22.55	1.44	1,703.79	312.10	59.44	173.02	2,670.45
As at December 31, 2015	11,086.29	14,309.20	2,263.89	395,029.98	18,357.58	8,556.71	755.79	450,359.44
<b>Accumulated depreciation</b>								
As at January 1, 2015	1,103.24	4,723.24	905.75	177,827.61	9,937.23	6,772.97	239.69	201,509.73
- Additions	112.75	476.09	85.39	16,609.23	1,273.92	267.29	138.90	18,963.57
- Decreases	8.92	37.89	1.44	2,212.08	287.61	58.99	172.16	2,779.09
As at December 31, 2015	1,207.07	5,161.44	989.70	192,224.76	10,923.54	6,981.27	206.43	217,694.21
<b>Net book value</b>								
As at December 31, 2014	9,652.72	8,932.38	1,331.48	196,038.08	7,620.10	1,652.16	430.98	225,657.90
As at December 31, 2015	9,879.22	9,147.76	1,274.19	202,805.22	7,434.04	1,575.44	549.36	232,665.23

Plant and equipment that are fully depreciated but are continuing use for Provincial Electricity Authority and its subsidiary as at December 31, 2015 and 2014, are Baht 0.63 million and Baht 0.51 million, respectively.

(TRANSLATION)

- 36 -

5.12 Constructions in progress

Unit: Million Baht

	Consolidated and separate financial statements			
	PEA capital budget	Partially funded by electricity users	Funded by interest from electricity usage guarantee	Total
As at January 1, 2015	27,315.19	5,009.29	-	32,324.48
- Additions	15,683.30	6,590.95	0.56	22,274.81
- Decreases	15,123.76	6,881.63	0.01	22,005.40
As at December 31, 2015	<u>27,874.73</u>	<u>4,718.61</u>	<u>0.55</u>	<u>32,593.89</u>

Unit: Million Baht

	Consolidated and separate financial statements			
	PEA capital budget	Partially funded by electricity users	Funded by interest from electricity usage guarantee	Total
As at January 1, 2014	25,062.68	4,469.77	0.11	29,532.56
- Additions	15,307.78	6,142.87	0.02	21,450.67
- Decreases	13,055.27	5,603.35	0.13	18,658.75
As at December 31, 2014	<u>27,315.19</u>	<u>5,009.29</u>	<u>-</u>	<u>32,324.48</u>

## 5.13 Intangible assets

Unit: Million Baht

	Consolidated financial statements		
	Computer software licenses	Finance lease assets	Total
<b>Cost</b>			
As at January 1, 2015	3,087.06	3,365.99	6,453.05
- Additions	75.68	62.32	138.00
- Decreases	1.79	-	1.79
As at December 31, 2015	3,160.95	3,428.31	6,589.26
<b>Accumulated amortization</b>			
As at January 1, 2015	2,529.23	2,000.19	4,529.42
- Additions	279.09	745.78	1,024.87
- Decreases	1.79	-	1.79
As at December 31, 2015	2,806.53	2,745.97	5,552.50
<b>Net book value</b>			
As at December 31, 2014	557.83	1,365.80	1,923.63
As at December 31, 2015	354.42	682.34	1,036.76

Unit: Million Baht

	Separate financial statements		
	Computer software licenses	Finance lease assets	Total
<b>Cost</b>			
As at January 1, 2015	3,087.01	3,365.99	6,453.00
- Additions	75.65	62.32	137.97
- Decreases	1.79	-	1.79
As at December 31, 2015	3,160.87	3,428.31	6,589.18
<b>Accumulated amortization</b>			
As at January 1, 2015	2,529.22	2,000.19	4,529.41
- Additions	279.08	745.78	1,024.86
- Decreases	1.79	-	1.79
As at December 31, 2015	2,806.51	2,745.97	5,552.48
<b>Net book value</b>			
As at December 31, 2014	557.79	1,365.80	1,923.59
As at December 31, 2015	354.36	682.34	1,036.70

Intangible assets that are fully amortized but are continuing use for Provincial Electricity Authority and its subsidiary as at December 31, 2015 and 2014, are approximately Baht 0.004 million.

## 5.14 Other non-current assets consist of:

	Unit: Million Baht	
	Consolidated and separate financial statements	
	Dec. 31, 2015	Dec. 31, 2014
Employee receivables	71.20	63.66
Long-term receivables	22.40	-
Deferred expenses	6.01	1.14
Retentions and deposits	2.51	3.34
PEA Employee Gratuity Fund		
Cash	0.004	0.004
Current accounts	0.011	0.011
Savings accounts	2.46	0.045
Fixed deposits	3.61	6.35
<b>Total</b>	<b>108.21</b>	<b>74.55</b>

## 5.15 Trade accounts payable consist of:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Accounts payable-electricity	36,837.06	36,406.64	36,837.06	36,406.64
Accounts payable-domestic	780.11	655.18	763.99	653.85
Suspense payable-unbilled	1,039.24	798.97	1,039.24	798.97
<b>Total</b>	<b>38,656.41</b>	<b>37,860.79</b>	<b>38,640.29</b>	<b>37,859.46</b>

Consolidated and separate financial statements as at December 31, 2015 and 2014, suspense payable-unbilled amounting to Baht 1,039.24 million and Baht 798.97 million, respectively, represent payable for goods or services received but Provincial Electricity Authority has not received invoices from payables.

## 5.16 Long-term loans are as follows:

Unit: Million Baht

Consolidated and separate financial statements					
Type of loans	Repayment terms	Currency	Fixed interest rate per contract (%)	Dec. 31, 2015	Dec. 31, 2014
<b>Domestic loans</b>					
- Ministry of Finance	1988 – 2031	Canadian Dollar	Interest free	246.69	286.83
	2013 – 2023	Baht	2.919 *	2,625.00	2,975.00
- Bonds	2005 – 2040	Baht	3.28 – 6.84	80,662.00	78,099.00
Total domestic loans				83,533.69	81,360.83
<b>Foreign loans</b>					
- Financial institutions	2000 - 2020	Euro	2.00	437.59	538.06
	2007 - 2023	Euro	8.00 **	311.32	355.05
Total foreign loans				748.91	893.11
Total long-term loans				84,282.60	82,253.94
<u>Less</u> Current portion				7,911.66	7,939.97
Total				76,370.94	74,313.97

\* Borrowing interest rate equals to reference interest rate (average minimum six-month fixed deposit rate for individual person during seven days of Bangkok Bank Public Company Limited, KrungThai Bank Public Company Limited, Kasikorn Bank Public Company Limited and Siam Commercial Bank Public Company Limited) plus 1.68% per annum.

\*\* Borrowing interest rate of 8% per annum under the loan contract which includes interest expense that Provincial Electricity Authority paid to KFW fund at the rate of 6% per annum, and that are recorded as interest expense at the rate of 2% per annum.

Provincial Electricity Authority has obtained loan to construct buildings, electricity generating and distribution system. The borrowing costs that directly attributable to the construction of qualifying assets and incurred from loans made for specific purposes are capitalized as costs of assets at interest rates of 3.28% – 6.84% per annum.

Interest expenses on loans for the years ended December 31, 2015 and 2014, amounting to Baht 3,597.41 million and Baht 3,505.95 million, respectively, were capitalized as cost of construction in progress amounting to Baht 404.39 million and Baht 253.73 million and were recognized as expenses in the statements of comprehensive income for Baht 3,193.02 million and Baht 3,252.22 million, respectively.



## 5.17 Finance lease liabilities consist of:

Unit: Million Baht

Consolidated financial statements						
	Within 1 year		After 1 year but within 5 years		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	Present value of finance lease liabilities					
- Computer software systems	837.07	868.24	-	700.21	837.07	1,568.45
- Vehicles	144.90	105.71	427.05	330.62	571.95	436.33
<b>Total</b>	<b>981.97</b>	<b>973.95</b>	<b>427.05</b>	<b>1,030.83</b>	<b>1,409.02</b>	<b>2,004.78</b>

Unit: Million Baht

Separate financial statements						
	Within 1 year		After 1 year but within 5 years		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	Present value of finance lease liabilities					
- Computer software systems	837.07	868.24	-	700.21	837.07	1,568.45
- Vehicles	144.23	105.09	425.61	328.58	569.84	433.67
<b>Total</b>	<b>981.30</b>	<b>973.33</b>	<b>425.61</b>	<b>1,028.79</b>	<b>1,406.91</b>	<b>2,002.12</b>

## 5.17.1 Finance lease liabilities – computer software systems

Unit: Million Baht

Consolidated and separate financial statements						
	Within 1 year		After 1 year but within 5 years		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
	Finance lease liabilities	862.13	947.45	-	724.94	862.13
Less Future financial charge	25.06	79.21	-	24.73	25.06	103.94
<b>Present value of finance lease liabilities</b>	<b>837.07</b>	<b>868.24</b>	<b>-</b>	<b>700.21</b>	<b>837.07</b>	<b>1,568.45</b>

## 5.17.2 Finance lease liabilities – vehicles

Unit: Million Baht

	Consolidated financial statements					
	Within 1 year		After 1 year but within 5 years		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Finance lease liabilities	181.79	134.32	474.57	373.02	656.36	507.34
Less Future financial charge	36.89	28.61	47.52	42.40	84.41	71.01
<b>Present value of finance lease liabilities</b>	<b>144.90</b>	<b>105.71</b>	<b>427.05</b>	<b>330.62</b>	<b>571.95</b>	<b>436.33</b>

Unit: Million Baht

	Separate financial statements					
	Within 1 year		After 1 year but within 5 years		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Finance lease liabilities	180.99	133.52	473.01	370.73	654.00	504.25
Less Future financial charge	36.76	28.43	47.40	42.15	84.16	70.58
<b>Present value of finance lease liabilities</b>	<b>144.23</b>	<b>105.09</b>	<b>425.61</b>	<b>328.58</b>	<b>569.84</b>	<b>433.67</b>

## 5.18 Accrued remittance to the Ministry of Finance consist of:

Unit: Million Baht

## Consolidated and separate financial statements

	Dec. 31, 2015	Dec. 31, 2014
Beginning balance	5,296.00	8,561.78
Additional remittance to the Ministry of Finance	3.00	21.22
Reserve for remittance to public revenues 45% of net profit	10,644.00	10,247.00
Additional remittance to the Ministry of Finance for 2015	3,000.00	-
Remit to public revenues during the year	(12,271.00)	(13,534.00)
<b>Total</b>	<b>6,672.00</b>	<b>5,296.00</b>

Additional remittance to the Ministry of Finance of the year 2015 amounting to Baht 3.00 million is the amount which the Ministry of Finance considers Provincial Electricity Authority to made an additional remittance based on the year 2014 estimation.

Additional remittance to the Ministry of Finance of the year 2014 amounting to Baht 21.22 million is an adjustment made for the amount of accrued remittance to the Ministry of Finance for which Provincial Electricity Authority has made provision for less than the amount which Ministry of Finance has specified.

## 5.19 Deposits payable consist of:

	Unit: Million Baht	
	Consolidated and separate financial statements	
	Dec. 31, 2015	Dec. 31, 2014
Accrued remittance to the Power Development Fund	341.68	337.06
Pending repayment electricity usage guarantee	223.05	202.44
Other deposits payable	136.47	111.68
<b>Total</b>	<b>701.20</b>	<b>651.18</b>

## 5.20 Other current liabilities consist of:

	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Unearned revenues	174.76	142.07	174.70	142.01
Retentions and deposits	444.14	116.60	444.14	116.60
Withholding tax payable	0.02	-	-	-
Suspense accounts	152.34	50.13	152.34	50.13
Provisions	4.13	0.67	4.13	0.67
<b>Total</b>	<b>775.39</b>	<b>309.47</b>	<b>775.31</b>	<b>309.41</b>

## 5.21 Long-term provisions

Consolidated and separate financial statements as at December 31, 2015 and 2014, amounting to Baht 192.21 million and Baht 2.87 million, respectively, represent the provisions that Provincial Electricity Authority was filed in litigation as a defendant, which Provincial Electricity Authority assesses the status of the lawsuits and estimates that Provincial Electricity Authority will be obliged to the liabilities for 29 lawsuits and 19 lawsuits, respectively.

## 5.22 Construction obligations

Consolidated and separate financial statements as at December 31, 2015 and 2014, amounting to Baht 9,445.29 million and Baht 9,095.11 million, respectively, represent the obligations of Provincial Electricity Authority to expand the electricity distribution areas for electricity users which the electricity users have fully or partially funded the construction costs. The ownership of the assets belong to Provincial Electricity Authority.

## 5.23 Deferred revenues consist of:

Unit: Million Baht

	Consolidated and separate financial statements	
	Dec. 31, 2015	Dec. 31, 2014
Contributions for construction	41,609.63	38,179.60
Deferred revenues	1,576.46	1,537.29
Deferred rental revenue	409.75	237.52
<b>Total</b>	<b>43,595.84</b>	<b>39,954.41</b>

5.24 Electricity usage guarantee represent cash received from electricity users to guarantee for their electricity usage, which are deposited at financial institutions and used as working capital, is as follows:

Unit: Million Baht

	Consolidated and separate financial statements	
	Dec. 31, 2015	Dec. 31, 2014
Electricity usage guarantee fund (Note 5.5)	23,475.65	21,864.63
Electricity usage guarantee - additional deposits by Provincial		
Electricity Authority	178.89	161.01
<b>Total</b>	<b>23,654.54</b>	<b>22,025.64</b>

## 5.25 Employee Gratuity Fund

As at December 31, 2015 and 2014, Employee Gratuity Fund is as follows:

Unit: Million Baht

	Consolidated and separate financial statements	
	Dec. 31, 2015	Dec. 31, 2014
Beginning balance	13.27	16.90
<u>Add</u> Contributions during the year	0.44	0.64
Payments for shortage from PEA	0.46	1.92
Excess of revenues over expenses for the year	0.13	0.34
	14.30	19.80
<u>Less</u> Payments to employees and provident fund	7.09	6.19
Repayments for surplus of the gratuity fund over obligations	0.13	0.34
<b>Ending balance of fund equal to obligations to be paid to resigned employees</b>	<b>7.08</b>	<b>13.27</b>

## 5.26 Employee benefit obligations

Employee benefits of Provincial Electricity Authority and its subsidiary consist of post-employment benefits including defined contribution plans (provident fund), defined benefit plans and other long-term employee benefits according to the State Enterprise Labor Relations Act, B.E. 2543 (2000).

As at December 31, 2015 and 2014, employee benefit obligations are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Post-employment benefits under defined benefit plans				
Retirement pension	9,738.10	9,408.14	9,737.43	9,407.76
Retirement souvenir gifts	198.71	137.34	198.71	137.34
Accumulate vacation leave until the date of retirement	973.79	940.85	973.79	940.85
<b>Total post-employment benefits under defined benefit plans</b>	<b>10,910.60</b>	<b>10,486.33</b>	<b>10,909.93</b>	<b>10,485.95</b>
Other long-term employee benefits				
Souvenir gift for long tenure	120.30	81.16	120.30	81.16
<b>Total other long-term employee benefits</b>	<b>120.30</b>	<b>81.16</b>	<b>120.30</b>	<b>81.16</b>
<b>Total</b>	<b>11,030.90</b>	<b>10,567.49</b>	<b>11,030.23</b>	<b>10,567.11</b>

Post-employment benefits under defined benefit plans and other long-term employee benefits in the statements of comprehensive income as at December 31, 2015 and 2014, are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Current service costs	471.39	437.91	471.12	437.79
Interest cost	422.71	399.83	422.69	399.82
Actual cost	(572.63)	(390.21)	(572.63)	(390.21)
Actuarial losses	141.94	124.10	141.94	124.10
<b>Total</b>	<b>463.41</b>	<b>571.63</b>	<b>463.12</b>	<b>571.50</b>

Movement in the present value of provisions for employee benefits for the years ended December 31, 2015 and 2014, are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Beginning balance of employee benefit obligations	10,567.49	9,995.86	10,567.11	9,995.61
Current service costs	471.39	437.91	471.12	437.79
Interest cost	422.71	399.83	422.69	399.82
Actual cost	(572.63)	(390.21)	(572.63)	(390.21)
Actuarial losses on post-employment benefit plan	141.94	124.10	141.94	124.10
Ending balance of employee benefit obligations	<u>11,030.90</u>	<u>10,567.49</u>	<u>11,030.23</u>	<u>10,567.11</u>

Actuarial assumptions used to the calculation of provisions under post-employment benefits plan as at December 31, 2015 and 2014, are as follows:

	Consolidated and separate financial statements	
	Dec. 31, 2015	Dec. 31, 2014
	(percentage)	(percentage)
Discount rate	4.00	4.00
Future salary incremental rate	7.50	7.50
Employee turnover rate	0.30	0.29

For the post-employment benefits under defined contribution plans, Provincial Electricity Authority has established the provident fund. The fund is monthly contributed by salary of employee and by Provincial Electricity Authority. PEA registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987).

For the year ended December 31, 2015 and 2014, Provincial Electricity Authority contributes to the provident fund amounting to Baht 1,462.24 million and Baht 1,392.76 million, respectively.

5.27 Executives' remunerations consist of:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Directors' remunerations	13.84	23.18	12.43	21.71
Management's remunerations	63.62	105.38	63.62	105.38
Total	<u>77.46</u>	<u>128.56</u>	<u>76.05</u>	<u>127.09</u>

## 5.28 Operational results

## 5.28.1 Operating results for the years ended December 31, 2015 and 2014, are as follows:

Unit: Million Baht

Consolidated financial statements				
	Dec. 31, 2015	Dec. 31, 2014	Increase (Decrease)	Percentage
Operating revenues	463,724.38	463,069.26	655.12	0.14
Operating expenses	441,164.87	441,171.20	(6.33)	-
Operating income	22,559.51	21,898.06	661.45	3.02
Other revenues	2,103.92	1,954.55	149.37	7.64
Other expenses	282.12	54.02	228.10	422.25
Financial costs	3,313.46	3,408.91	(95.45)	(2.80)
Share of profits of associates	66.58	30.09	36.49	121.27
<b>Profit for the year</b>	<b>21,134.43</b>	<b>20,419.77</b>	<b>714.66</b>	<b>3.50</b>

For the year ended December 31, 2015, Provincial Electricity Authority and its subsidiary have profit of Baht 21,134.43 million which increases from the same period of prior year by Baht 714.66 million. The increase is attributable to increase in operating income by Baht 661.45 million, increase in other revenues by Baht 149.37 million, increase in other expenses by Baht 228.10 million and decrease in financial costs by Baht 95.45 million, and increase in share of profits of associates by Baht 36.49 million.

Unit: Million Baht

Separate financial statements				
	Dec. 31, 2015	Dec. 31, 2014	Increase (Decrease)	Percentage
Operating revenues	463,707.69	463,060.96	646.73	0.14
Operating expenses	441,139.07	441,152.16	(13.09)	-
Operating income	22,568.62	21,908.80	659.82	3.01
Other revenues	2,099.11	1,950.94	148.17	7.59
Other expenses	282.12	54.02	228.10	422.25
Financial costs	3,313.29	3,408.72	(95.43)	(2.80)
<b>Profit for the year</b>	<b>21,072.32</b>	<b>20,397.00</b>	<b>675.32</b>	<b>3.31</b>

For the year ended December 31, 2015, Provincial Electricity Authority has profit of Baht 21,072.32 million which increases from the same period of prior year by Baht 675.32 million. The increase is attributable to increase in operating income by Baht 659.82 million, increase in other revenues by Baht 148.17 million, increase in other expenses by Baht 228.10 million and decrease in financial costs by Baht 95.43 million.

The National Telecommunications Commission allowed Provincial Electricity Authority to operate the third type of telecommunication business (fiber optic) since March 1, 2007. In the year 2015, Provincial Electricity Authority has revenues from telecommunication business amounting to Baht 188.45 million which are included in other operating revenues.

Provincial Electricity Authority has received license to operate broadcasting business for providing assistance on broadcasting. The service includes a rental of electric pole for putting up cable line by National Broadcasting and Telecommunications Commission beginning from December 16, 2014 to December 15, 2028. In the year 2015, Provincial Electricity Authority has revenues on rental of electric pole for putting up cable line from Cable TVs business amounting to Baht 21.84 million.

According to the resolution of Energy Regulatory Commission No. ERC 5502/3289.2 dated on July 31, 2012, the committee has agreed on refunding interest from electricity usage guarantee fund in the form of interest payment on an annual basis from Provincial Electricity Authority to customers who has paid the deposit in cash. The amount of refund is based on annual average interest rate of Krung Thai Bank Public Company Limited's savings account for the state enterprises to the electricity user of medium general services, of large general services and of specific business services. In the case of power meter has been cut out of power supply and customers who discontinued using the electricity services during the year, this benefit would not be given. In the year 2015, Provincial Electricity Authority has refunded the benefit to the customers amounting to Baht 23.83 million and recorded as other expenses.

According to the resolution of Energy Regulatory Commission No. ERC 5502/35088 dated on June 19, 2014 and No. ERC 5502/38907 dated on October 14, 2014, the committee has agreed on refunding interest from electricity usage guarantee fund to user of residential general service and of small general service, according to the concept of refunding interest to user of medium general service, of large general service, and of specific business services. The refunding will be made on every 5 years basis. The amount of refunding interest is calculated from the period beginning from January 2015 to December 2019 and the interest will be paid within the first quarter of the year 2020. In the year 2015, Provincial Electricity Authority is obliged to refund interest to the customers amounting to Baht 71.52 million and recorded as other expenses.



(TRANSLATION)

- 48 -

## 5.29 Financial Information of Operating Segments

5.29.1 Statements of Financial position of operating segments are as follows:

Information from statements of financial position	Unit: Million Baht																	
	North			Northeast			Central			South			Headquarter			Consolidated financial Statements		
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014			
Trade accounts receivable	4,811.27	4,719.90	4,957.81	4,664.82	17,684.70	17,745.88	5,898.11	5,907.14	285.63	325.90	33,637.52	33,363.64						
Other current assets	1,032.11	1,090.11	1,448.12	1,419.26	1,030.56	1,085.00	824.23	903.19	61,707.72	50,042.18	66,042.74	54,539.74						
Property, plant and equipment	49,839.73	48,248.18	50,677.12	49,290.56	73,418.15	70,165.32	55,884.85	55,167.97	2,847.75	2,788.69	232,667.60	225,660.72						
Other non-current assets	6,207.22	6,018.50	5,835.04	5,863.08	10,999.10	11,619.36	8,337.47	6,924.97	3,316.75	4,428.72	34,695.58	34,854.63						
<b>Total Assets</b>	<b>61,890.33</b>	<b>60,076.69</b>	<b>62,918.09</b>	<b>61,237.72</b>	<b>103,132.51</b>	<b>100,615.56</b>	<b>70,944.66</b>	<b>68,903.27</b>	<b>68,157.85</b>	<b>57,585.49</b>	<b>367,043.44</b>	<b>348,418.73</b>						
Current Liabilities	40,256.99	39,930.52	46,643.49	45,868.90	(140,577.60)	(112,878.80)	20,866.38	22,154.97	94,789.54	63,468.65	61,978.80	58,544.24						
Long-term loans	-	-	-	-	-	-	-	-	76,370.94	74,313.97	76,370.94	74,313.97						
Other non-current liabilities	17,169.96	15,954.09	20,301.03	18,806.55	31,264.86	29,005.68	18,216.84	16,980.51	2,258.03	2,676.21	89,210.72	83,423.04						
<b>Total Liabilities</b>	<b>57,426.95</b>	<b>55,884.61</b>	<b>66,944.52</b>	<b>64,675.45</b>	<b>(109,312.74)</b>	<b>(83,873.12)</b>	<b>39,083.22</b>	<b>39,135.48</b>	<b>173,418.51</b>	<b>140,458.83</b>	<b>227,560.46</b>	<b>216,281.25</b>						
Equity	4,463.38	4,192.08	(4,026.43)	(3,437.73)	212,445.25	184,488.68	31,861.44	29,767.79	(105,260.66)	(82,873.34)	139,482.98	132,137.48						
<b>Total Liabilities and Equity</b>	<b>61,890.33</b>	<b>60,076.69</b>	<b>62,918.09</b>	<b>61,237.72</b>	<b>103,132.51</b>	<b>100,615.56</b>	<b>70,944.66</b>	<b>68,903.27</b>	<b>68,157.85</b>	<b>57,585.49</b>	<b>367,043.44</b>	<b>348,418.73</b>						

(TRANSLATION)

- 49 -

## 5.29.2 Operational results of operating segments are as follows:

Information from statements of comprehensive income	North		Northeast		Central		South		Headquarter		Consolidated financial statements		Unit: Million Baht
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	
Sales of electricity energy	66,338.68	65,362.12	70,667.83	69,449.20	237,842.89	238,297.10	76,626.75	77,525.41	-	-	451,476.15	450,633.83	
Other operating revenues	2,658.49	2,724.36	2,882.38	2,913.46	3,749.90	3,811.42	2,676.50	2,839.31	280.96	146.87	12,248.23	12,435.42	
Other revenues	154.81	50.40	80.91	40.92	155.29	176.31	207.09	92.14	1,505.82	1,594.78	2,103.92	1,954.55	
<b>Total revenues</b>	<b>69,151.98</b>	<b>68,136.88</b>	<b>73,631.12</b>	<b>72,403.58</b>	<b>241,748.08</b>	<b>242,284.83</b>	<b>79,510.34</b>	<b>80,456.86</b>	<b>1,786.78</b>	<b>1,741.65</b>	<b>465,828.30</b>	<b>465,023.80</b>	
Cost of electricity	58,541.19	58,218.61	62,746.26	62,257.15	200,448.08	202,859.44	66,408.04	67,775.19	-	(0.09)	388,143.57	391,110.30	
Employee compensations	4,409.02	4,152.79	4,768.77	4,330.44	4,755.02	4,375.84	3,799.01	3,549.31	3,748.25	3,668.26	21,480.07	20,076.64	
Employee benefit expenses	189.79	178.44	204.90	189.59	200.09	187.25	159.54	149.02	137.72	132.10	892.04	836.40	
Executive remuneration	4.35	7.17	4.78	7.04	3.94	6.88	4.49	6.46	59.90	101.01	77.46	128.56	
Preventive, repair and maintenance, and construction expenses	754.79	736.77	767.71	799.81	1,123.95	1,149.25	992.72	949.08	626.83	545.52	4,266.00	4,180.43	
Depreciation and amortization expenses	3,737.69	3,521.94	3,990.98	3,793.55	5,495.67	4,836.45	4,237.86	4,028.58	1,295.16	1,239.53	18,757.36	17,420.05	
Other operating expenses	1,200.92	1,341.75	1,726.56	1,646.59	1,632.29	1,627.73	1,686.54	1,589.33	1,302.06	1,213.41	7,548.37	7,418.81	
Other expenses	16.91	3.04	(18.99)	(23.53)	83.67	36.80	103.01	15.98	97.52	21.73	282.12	54.02	
Financial costs	6.77	2.88	7.45	3.20	9.30	4.14	8.29	4.64	3,281.65	3,394.05	3,313.46	3,408.91	
<b>Total expenses</b>	<b>68,861.43</b>	<b>68,163.39</b>	<b>74,198.42</b>	<b>73,003.84</b>	<b>213,752.01</b>	<b>215,083.78</b>	<b>77,399.50</b>	<b>78,067.59</b>	<b>10,549.09</b>	<b>10,315.52</b>	<b>444,760.45</b>	<b>444,634.12</b>	
Share of profit of associates	-	-	-	-	-	-	-	-	66.58	30.09	66.58	30.09	
<b>Income (loss) for the year</b>	<b>290.55</b>	<b>(26.51)</b>	<b>(567.30)</b>	<b>(600.26)</b>	<b>27,996.07</b>	<b>27,201.05</b>	<b>2,110.84</b>	<b>2,389.27</b>	<b>(8,695.73)</b>	<b>(8,543.78)</b>	<b>21,134.43</b>	<b>20,419.77</b>	
Other comprehensive income (loss)	(18.94)	(26.13)	(20.21)	(26.23)	(39.02)	(26.52)	(16.98)	(23.35)	(46.79)	(21.87)	(141.94)	(124.10)	
<b>Total comprehensive income (loss) for the year</b>	<b>271.61</b>	<b>(52.64)</b>	<b>(587.51)</b>	<b>(626.49)</b>	<b>27,957.05</b>	<b>27,174.53</b>	<b>2,093.86</b>	<b>2,365.92</b>	<b>(8,742.52)</b>	<b>(8,565.65)</b>	<b>20,992.49</b>	<b>20,295.67</b>	

## 6. Related party transactions

Significant related party transactions are as follows:

## 6.1 Assets and Liabilities, as at December 31, 2015 and 2014, significant related party transactions are as follows:

Item/Company's name	Relationship	Unit: Million Baht			
		Consolidated financial statements		Separate Financial statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
<b>Investments in associates</b>					
Solar Power (Surin1) Co., Ltd.	Subsidiary's associate	63.02	48.67	-	-
Solar Power (Surin2) Co., Ltd.	Subsidiary's associate	58.57	48.94	-	-
Solar Power (Khonkaen10) Co., Ltd.	Subsidiary's associate	59.45	48.65	-	-
Solar Power (Loei2) Co., Ltd.	Subsidiary's associate	60.67	48.83	-	-
<b>Investments in subsidiary</b>					
PEA Encom International Co., Ltd.	Subsidiary	-	-	473.28	447.38
<b>Prepaid expense</b>					
PEA Encom International Co., Ltd.	Subsidiary	-	-	84.00	-
<b>Accounts payable</b>					
EGAT	Related party	31,115.25	30,569.51	31,115.25	30,569.51
<b>Other payable</b>					
PEA Encom International Co., Ltd.	Subsidiary	-	-	0.01	0.07

## 6.2 Revenues and expenses, related party transaction as at December 31, 2015 and 2014, are as follows:

Item/Company's name	Relationship	Unit: Million Baht			
		Consolidated financial statements		Separate Financial statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
<b>Other operating revenues</b>					
PEA Encom International Co., Ltd.	Subsidiary	-	-	0.93	1.37
<b>Cost of electricity</b>					
EGAT	Related Party	366,067.43	372,100.03	366,067.43	372,100.03
Solar Power (Surin1) Co., Ltd.	Subsidiary's associate	136.80	68.95	-	-
Solar Power (Surin2) Co., Ltd.	Subsidiary's associate	137.53	67.96	-	-
Solar Power (Khonkaen10) Co., Ltd.	Subsidiary's associate	125.97	77.40	-	-
Solar Power (Loei2) Co., Ltd.	Subsidiary's associate	122.21	84.07	-	-
<b>Employee expenses</b>					
PEA Encom International Co., Ltd.	Subsidiary	-	-	0.33	0.56
<b>Maintenance Cost</b>					
PEA Encom International Co., Ltd.	Subsidiary	-	-	0.16	1.64

## **7. Disclosure of financial instruments**

### **7.1 Credit risk**

Credit risk arises when accounts receivable do not comply with the terms and conditions of credit agreements, causing losses to Provincial Electricity Authority. Also, a concentration exposure in credit portfolios is regarded as an important aspect of credit risk. Most of Provincial Electricity Authority accounts receivable are juristic person and natural person, however, there has been no significant losses that affects PEA financial statements in the past. Therefore, it is assumed that Provincial Electricity Authority has no credit risk.

In case of financial assets recognition in the statements of financial position, book values of the assets presented in the statements of financial position represent the maximum amount of exposure to the credit risk that Provincial Electricity Authority may experience.

### **7.2 Interest rate risk**

Interest rate risk arises when interest rate changes and may have a negative effect on operations of Provincial Electricity Authority, however, most of Provincial Electricity Authority's loans have fixed interest rates and Provincial Electricity Authority's loans are not significant amount except as mentioned in Note 5.16

### **7.3 Foreign exchange rate risk**

Foreign exchange rate risk arises when there is a change in foreign exchange rates and may effect on Provincial Electricity Authority and its subsidiary's financial position in current and following years. However, most of Provincial Electricity Authority's transactions are incurred in Thai Baht, therefore, changes in foreign exchange rate do not have significant impact on Provincial Electricity Authority and its subsidiary's assets and liabilities.

### **7.4 Fair value of financial Instruments**

Provincial Electricity Authority and its subsidiary estimate fair value of financial Instruments by using following assumptions:

Cash and cash equivalents, short-term investment, trade accounts receivable and trade accounts payable have book values approximate their fair value due to their short-term period of settlement.

## **8. Contingent liabilities**

As at December 31, 2015 and 2014, Provincial Electricity Authority was sued 83 cases and 81 cases, respectively, with total amount in dispute of Baht 2,193.70 million and Baht 18,787.43 million, respectively.

Provincial Electricity Authority was filed in lawsuits including a lawsuit on lease computer software packages for using in its core business. Portalnet co., Ltd., is authorized by its joint venture partner SPIES, sues Provincial Electricity Authority to the Central Administrative Court on November 22, 2010, on cost of using computer software prior to the commencement period of computer software leasing of Baht 1,868.71 million plus the interest at the rate of 7.5 percent per annum from the date of filing the petition onwards. The Central Administrative Court has dismissed the case. Currently, the case is on the proceedings of the Supreme Administrative Court. And, PEA legal department predicts that Provincial Electricity Authority will win the case.

## **9. Approval of financial statements**

These financial statements were approved by PEA Governor on March 22, 2016.

---