

Provincial Electricity Authority and its subsidiary  
Report and consolidated financial statements  
31 December 2021

## Independent Auditor's Report

To the Board of Directors of Provincial Electricity Authority

### Opinion

I have audited the accompanying consolidated financial statements of Provincial Electricity Authority and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Provincial Electricity Authority for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Provincial Electricity Authority and its subsidiary and of Provincial Electricity Authority as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with the State Audit Standards and Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the State Audit Standards as issued by the State Audit Commission and the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the State Audit Standards and the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. *pe*

## **Other Matter**

- a. The State Audit Standards as described in the *Basis for Opinion* section and the *Auditor's Responsibilities for the Audit of the Financial Statements* section are relevant only to the audit of the financial statements, which are prepared by management in accordance with Thai Financial Reporting Standards.
- b. The Consolidated financial statements of Provincial Electricity Authority and its subsidiary (the Group) and the separate financial statements of Provincial Electricity Authority for the year ended 31 December 2020 were audited by another auditor who, under their report dated 17 June 2021, expressed an unmodified opinion on those financial statements.


## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the State Audit standards and Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 

As part of an audit in accordance with the State Audit standards and Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit.

I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion. *R*

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am responsible for the audit resulting in this independent auditor's report.



Ginkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 24 March 2022

Provincial Electricity Authority and its subsidiary

Statements of financial position

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	12,240,072	13,509,471	10,857,809	12,185,955
Trade and other receivables	6, 8	46,440,711	44,335,018	45,986,779	44,231,977
Short-term loans to related parties	6	49,237	-	-	-
Inventories	9	2,485,973	2,585,146	2,477,313	2,577,636
Specific-purpose deposits at financial institutions	10	40,852,170	37,302,536	40,852,170	37,302,536
Undue input VAT		2,327,494	2,239,500	2,324,593	2,235,949
Advance payments to suppliers	6	1,920,043	1,786,424	1,877,572	1,839,323
Other current assets		108,273	83,722	84,733	65,908
<b>Total current assets</b>		<b>106,423,973</b>	<b>101,841,817</b>	<b>104,460,969</b>	<b>100,439,284</b>
<b>Non-current assets</b>					
Restricted bank deposits		50,000	50,000	-	-
Investments in subsidiary	11	-	-	3,295,284	2,451,284
Investments in associates	12	1,387,804	629,085	-	-
Investments in joint ventures	13	-	-	-	-
Other non-current financial assets	14	256,896	242,811	1,896	1,561
Other non-current receivables	15	999,550	639,541	38,947	61,766
Constructions in progress	16	56,076,891	51,910,377	55,409,989	51,513,714
Investment properties	17	500,679	501,107	452,171	501,107
Property, plant and equipment	18	316,267,673	296,292,899	316,273,652	296,284,915
Right-of-use assets	23.1.1	1,902,142	1,639,927	1,854,009	1,619,109
Intangible assets	19	2,591,028	2,669,654	2,586,595	2,666,583
Other non-current assets	20	123,129	178,610	104,801	99,911
<b>Total non-current assets</b>		<b>380,155,792</b>	<b>354,754,011</b>	<b>380,017,344</b>	<b>355,199,950</b>
<b>Total assets</b>		<b>486,579,765</b>	<b>456,595,828</b>	<b>484,478,313</b>	<b>455,639,234</b>

The accompanying notes are an integral part of the financial statements.

Provincial Electricity Authority and its subsidiary  
 Statements of financial position (continued)  
 As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	6, 21	48,566,500	47,259,133	48,163,434	47,147,545
Current portion of long-term loans	22	5,635,932	8,242,447	5,553,516	8,242,447
Current portion of lease liabilities	23.1.2	851,283	717,820	840,917	713,635
Accrued remittance to the Ministry of Finance	24	12,162,638	15,855,024	12,162,638	15,855,024
Advance received per contract		1,024,859	1,143,044	1,021,409	1,143,044
Deposits payable	25	346,782	429,875	346,782	429,875
Other current liabilities	26	3,394,348	3,100,838	3,387,464	3,097,874
<b>Total current liabilities</b>		<b>71,982,342</b>	<b>76,748,181</b>	<b>71,476,160</b>	<b>76,629,444</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	22	122,615,879	99,539,287	121,667,176	99,196,390
Lease liabilities, net of current portion	23.1.2	1,264,348	1,114,993	1,224,814	1,097,502
Other non-current payables		17,171	39,450	17,171	39,450
Provisions for litigations	27	428,644	369,792	428,644	369,792
Provisions for service contracts		176,668	89,090	-	-
Construction obligations	6, 28	5,998,553	7,289,743	6,000,287	7,289,743
Deferred revenues	29	56,659,166	54,872,413	56,659,166	54,872,413
Electricity usage guarantee	30	23,584,596	23,290,014	23,584,626	23,290,044
Sales and service guarantee		1,880,734	1,554,729	1,873,314	1,552,400
Provision for long-term employee benefits	31	16,254,192	17,879,236	16,251,539	17,877,282
Other non-current liabilities		59,652	34,224	59,651	34,224
<b>Total non-current liabilities</b>		<b>228,939,603</b>	<b>206,072,971</b>	<b>227,766,388</b>	<b>205,619,240</b>
<b>Total liabilities</b>		<b>300,921,945</b>	<b>282,821,152</b>	<b>299,242,548</b>	<b>282,248,684</b>

The accompanying notes are an integral part of the financial statements.

Provincial Electricity Authority and its subsidiary  
 Statements of financial position (continued)  
 As at 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Equity</b>				
Initial capital	87,004	87,004	87,004	87,004
Contributions from the government	4,802,501	4,802,501	4,802,501	4,802,501
Retained earnings				
Appropriated-statutory reserve - subsidiary	10,801	8,348	-	-
Unappropriated	180,759,159	168,878,804	180,347,905	168,503,026
Other components of equity	(1,645)	(1,981)	(1,645)	(1,981)
<b>Total equity</b>	<b>185,657,820</b>	<b>173,774,676</b>	<b>185,235,765</b>	<b>173,390,550</b>
<b>Total liabilities and equity</b>	<b>486,579,765</b>	<b>456,595,828</b>	<b>484,478,313</b>	<b>455,639,234</b>

The accompanying notes are an integral part of the financial statements.



(Mr. Supachai Ek-un)  
 Director and Governor



(Mr. Suchat Chothikatherakul)  
 Deputy Governor  
 (Accounting and Finance)



Provincial Electricity Authority and its subsidiary  
Statement of comprehensive income  
For the year ended 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and Rendering of services	32	497,667,677	473,296,199	497,246,506	473,167,787
Revenue compensations	33	10,917,960	15,374,040	10,917,960	15,374,040
Other income		856,853	857,910	854,218	857,046
<b>Total revenues</b>		<b>509,442,490</b>	<b>489,528,149</b>	<b>509,018,684</b>	<b>489,398,873</b>
<b>Expenses</b>					
Cost of electricity		428,283,139	414,907,017	428,283,139	414,907,017
Employee compensations		20,207,487	20,740,583	20,174,441	20,710,866
Employee benefit expenses		1,672,472	1,441,042	1,671,772	1,440,505
Executives' remunerations		119,897	116,699	115,396	113,410
Preventive, repair and maintenance, and construction expenses		7,729,018	6,256,059	7,350,880	6,239,222
Depreciation and amortisation expenses		24,872,946	23,667,756	24,863,043	23,662,048
Other operating expenses		9,121,689	9,246,919	9,106,433	9,121,740
Other expenses		838,997	1,229,897	838,995	1,229,896
<b>Total expenses</b>		<b>492,845,645</b>	<b>477,605,972</b>	<b>492,404,099</b>	<b>477,424,704</b>
<b>Operating profit</b>		<b>16,596,845</b>	<b>11,922,177</b>	<b>16,614,585</b>	<b>11,974,169</b>
Share of profit from investments in associates	12	65,553	77,943	-	-
Finance income		473,890	720,332	468,504	710,711
Finance cost	34	(3,067,426)	(2,742,871)	(3,061,990)	(2,740,179)
<b>Profit before income tax expenses</b>		<b>14,068,862</b>	<b>9,977,581</b>	<b>14,021,099</b>	<b>9,944,701</b>
Tax income (income tax expenses)		(9,834)	7,699	-	-
<b>Profit for the year</b>		<b>14,059,028</b>	<b>9,985,280</b>	<b>14,021,099</b>	<b>9,944,701</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax	31	1,634,256	1,078	1,634,256	-
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income		336	(281)	336	(281)
<b>Total other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>1,634,592</b>	<b>797</b>	<b>1,634,592</b>	<b>(281)</b>
<b>Other comprehensive income for the year</b>		<b>1,634,592</b>	<b>797</b>	<b>1,634,592</b>	<b>(281)</b>
<b>Total comprehensive income for the year</b>		<b>15,693,620</b>	<b>9,986,077</b>	<b>15,655,691</b>	<b>9,944,420</b>

The accompanying notes are an integral part of the financial statements.

Provincial Electricity Authority and its subsidiary  
Statement of changes in equity  
For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements									
	Initial capital and contributions from the government	Retained earnings				Other component of equity			Total other components of equity	Total equity
		Appropriated	Unappropriated	through other comprehensive income	designated at fair value	Other comprehensive income	Gain (loss) on investment in equity	comprehensive income		
<b>Balance as at 1 January 2020</b>	4,889,505	7,722	166,148,246	(1,700)	(1,700)	-	-	-	171,043,773	
Profit for the year	-	-	9,985,280	-	-	-	-	-	9,985,280	
Other comprehensive income for the year	-	-	1,078	(281)	(281)	-	-	-	797	
Total comprehensive income for the year	-	-	9,986,358	(281)	(281)	-	-	-	9,986,077	
Transfer unappropriated to statutory reserve - subsidiary	-	626	(626)	-	-	-	-	-	-	
Adjusted remittance to the Ministry of Finance for the year 2019 (Note 24)	-	-	4,088,350	-	-	-	-	-	4,088,350	
Remittance to the Ministry of Finance for the year (Note 24)	-	-	(11,343,524)	-	-	-	-	-	(11,343,524)	
<b>Balance as at 31 December 2020</b>	4,889,505	8,348	168,878,804	(1,981)	(1,981)	-	-	-	173,774,676	
<b>Balance as at 1 January 2021</b>	4,889,505	8,348	168,878,804	(1,981)	(1,981)	-	-	-	173,774,676	
Profit for the year	-	-	14,059,028	-	-	-	-	-	14,059,028	
Other comprehensive income for the year	-	-	1,634,256	336	336	-	-	-	1,634,592	
Total comprehensive income for the year	-	-	15,693,284	336	336	-	-	-	15,693,620	
Transfer unappropriated to statutory reserve - subsidiary	-	2,453	(2,453)	-	-	-	-	-	-	
Adjusted remittance to the Ministry of Finance for the year 2020 (Note 24)	-	-	4,043,524	-	-	-	-	-	4,043,524	
Remittance to the Ministry of Finance for the year (Note 24)	-	-	(7,854,000)	-	-	-	-	-	(7,854,000)	
<b>Balance as at 31 December 2021</b>	4,889,505	10,801	180,759,159	(1,645)	(1,645)	-	-	-	185,657,820	

The accompanying notes are an integral part of the financial statements.

**Provincial Electricity Authority and its subsidiary**  
**Statement of changes in equity (continued)**  
**For the year ended 31 December 2021**

(Unit: Thousand Baht)

**Separate financial statements**

	Other component of equity					Total equity
	Initial capital and contributions from the government	Unappropriated retained earnings	Other comprehensive income		Total other components of equity	
			designated at fair value through other comprehensive income	Gain (loss) on investment in equity		
<b>Balance as at 1 January 2020</b>	4,889,505	165,813,499	(1,700)	(1,700)	(1,700)	170,701,304
Profit for the year	-	9,944,701	-	-	-	9,944,701
Other comprehensive income for the year	-	-	(281)	(281)	(281)	(281)
Total comprehensive income for the year	-	9,944,701	(281)	(281)	(281)	9,944,420
Adjusted remittance to the Ministry of Finance for the year 2019 (Note 24)	-	4,088,350	-	-	-	4,088,350
Remittance to the Ministry of Finance for the year (Note 24)	-	(11,343,524)	-	-	-	(11,343,524)
<b>Balance as at 31 December 2020</b>	<b>4,889,505</b>	<b>168,503,026</b>	<b>(1,981)</b>	<b>(1,981)</b>	<b>(1,981)</b>	<b>173,390,550</b>
<b>Balance as at 1 January 2021</b>	4,889,505	168,503,026	(1,981)	(1,981)	(1,981)	173,390,550
Profit for the year	-	14,021,099	-	-	-	14,021,099
Other comprehensive income for the year	-	1,634,256	336	336	336	1,634,592
Total comprehensive income for the year	-	15,655,355	336	336	336	15,655,691
Adjusted remittance to the Ministry of Finance for the year 2020 (Note 24)	-	4,043,524	-	-	-	4,043,524
Remittance to the Ministry of Finance for the year (Note 24)	-	(7,854,000)	-	-	-	(7,854,000)
<b>Balance as at 31 December 2021</b>	<b>4,889,505</b>	<b>180,347,905</b>	<b>(1,645)</b>	<b>(1,645)</b>	<b>(1,645)</b>	<b>185,235,765</b>

The accompanying notes are an integral part of the financial statements.

Provincial Electricity Authority and its subsidiary

Cash flow statement

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before tax	14,068,862	9,977,581	14,021,099	9,944,701
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	24,872,946	23,667,756	24,863,043	23,662,048
Expected credit losses	308,378	334,405	294,465	311,782
Loss from impairment of investment	-	7,559	-	-
Loss from repossessions	-	395	-	-
Loss from obsolete materials (reversal)	18,644	(105,719)	17,150	(108,460)
Amortisation of deferred revenues	(4,720,584)	(4,529,404)	(4,720,584)	(4,529,404)
Revenues from donations	(284)	(11,249)	(284)	(11,249)
Loss on sales and write-off of assets	1,326,175	885,461	1,326,173	885,461
Loss from write-off of materials	34,122	16,116	34,122	16,116
Loss from terminated leases	5,322	-	5,322	-
Provision for long-term employee benefits	1,672,472	1,441,042	1,671,772	1,440,505
Provisions for litigations	59,722	101,959	59,722	101,959
Unrealised loss on foreign exchange	16,517	11,806	16,517	11,806
Amortisation premium (discount) on loans	8,231	(13,374)	8,066	(12,271)
Revenues from receive scrap materials	(720,926)	(430,843)	(720,926)	(430,843)
Revenues from renting or using other assets	-	(10,379)	-	-
Revenues from financing service contracts	-	(37,276)	-	-
Loss from provisions for service contracts	-	5,705	-	-
Share of profit from investments in associates	(65,553)	(77,943)	-	-
Finance income	(473,890)	(720,332)	(468,504)	(710,711)
Finance cost	3,067,426	2,742,871	3,061,990	2,740,179
Profit from operating activities before changes in operating assets and liabilities	39,477,580	33,256,137	39,469,143	33,311,619
Operating assets (increase) decrease				
Trade and other receivables	(2,429,624)	(3,882,778)	(2,064,927)	(3,801,002)
Inventories	767,333	136,525	769,977	122,845
Specific-purpose deposits at financial institutions	(3,549,634)	5,490,200	(3,549,634)	5,490,200
Undue input VAT	(87,994)	16,138	(88,644)	16,827
Advance payments to suppliers	(133,619)	31,726	(38,249)	(22,774)
Other current assets	(24,551)	4,772	(18,825)	21,545
Other non-current receivables	(32,633)	67,663	22,819	(15,649)
Other non-current assets	47,487	(7,879)	(4,890)	455
Operating liabilities increase (decrease)				
Trade and other payables	1,494,539	(4,935,482)	1,203,061	(4,993,423)
Advance received per contract	(118,185)	(145,458)	(121,635)	(145,458)
Deposits payable	(83,093)	116,043	(83,093)	116,044
Other current liabilities	293,510	225,599	289,590	224,846
Other non-current payables	(22,887)	(12,260)	(22,887)	(12,260)
Provisions for service contracts	87,578	(430)	-	-
Construction obligations	(1,291,190)	(1,889,983)	(1,289,456)	(1,889,983)
Deferred revenues	6,359,239	6,107,010	6,359,239	6,107,010

The accompanying notes are an integral part of the financial statements.

Provincial Electricity Authority and its subsidiary  
Cash flow statement (continued)  
For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease) (continued)				
Electricity usage guarantee	294,582	(7,979,892)	294,582	(7,979,892)
Sales and service guarantee	326,005	467,996	320,914	467,175
Other non-current liabilities	25,427	30,967	25,427	30,967
Cash paid for provisions for litigations	(870)	-	(870)	-
Cash paid for long-term employee benefits	(1,599,474)	(1,887,800)	(1,599,474)	(1,887,800)
Cash flows from operating activities	39,799,526	25,208,814	39,872,168	25,161,292
Cash received from interest income	489,444	789,488	484,164	778,269
Cash paid for income tax	(1,841)	(1,822)	-	-
<b>Net cash flows from operating activities</b>	<b>40,287,129</b>	<b>25,996,480</b>	<b>40,356,332</b>	<b>25,939,561</b>
<b>Cash flows from investing activities</b>				
Cash paid for investments in current financial assets	-	(1,884,606)	-	(2,000,000)
Cash received from investments in current financial assets	-	3,000,000	-	3,000,000
Cash paid for investments in non-current financial assets	(13,750)	(241,250)	-	-
Cash paid for short-term loans to related parties	(65,237)	-	-	-
Cash received from short-term loans to related parties	16,000	-	-	-
Cash paid for investments in subsidiary	-	-	(844,000)	(560,000)
Cash paid for investments in associates	(742,831)	(94,837)	-	-
Dividends from investments in associates	49,665	50,201	-	-
Decrease in advanced payment for share subscription in associates	-	2,281	-	-
Cash paid for constructions in progress	(45,656,636)	(45,256,188)	(45,059,020)	(44,828,845)
Cash paid for purchase of investment properties	(48,508)	-	-	-
Cash paid for purchase of property, plant and equipment	(3,879,540)	(3,700,788)	(3,890,931)	(3,699,824)
Cash received from disposal of property, plant and equipment	153,891	54,551	153,891	54,551
Cash paid for purchase of intangible asset	(65,531)	(248,860)	(63,425)	(248,769)
Interest expense capitalised to constructions in progress	(608,736)	(339,089)	(608,736)	(339,089)
<b>Net cash flows used in investing activities</b>	<b>(50,861,213)</b>	<b>(48,658,585)</b>	<b>(50,312,221)</b>	<b>(48,621,976)</b>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans	-	5,000,000	-	5,000,000
Cash received from long-term loans	28,688,057	37,344,000	28,000,000	37,000,000
Repayment of short-term loans	-	(5,000,000)	-	(5,000,000)
Repayment of long-term loans	(8,242,446)	(5,212,846)	(8,242,446)	(5,212,846)
Interest paid	(2,860,988)	(2,448,533)	(2,857,144)	(2,446,709)
Repayments of lease liabilities	(777,076)	(815,816)	(769,805)	(812,458)
Cash paid for remittance to the Ministry of Finance	(7,502,862)	(982,000)	(7,502,862)	(982,000)
<b>Net cash flows from financing activities</b>	<b>9,304,685</b>	<b>27,884,805</b>	<b>8,627,743</b>	<b>27,545,987</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,269,399)</b>	<b>5,222,700</b>	<b>(1,328,146)</b>	<b>4,863,572</b>
Cash and cash equivalents at beginning of year	13,509,471	8,286,771	12,185,955	7,322,383
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>12,240,072</b>	<b>13,509,471</b>	<b>10,857,809</b>	<b>12,185,955</b>

**Supplemental cash flows information**

Non-cash items consist of:

Payables from purchase of property, plant and equipment	25,480	361,380	25,480	357,610
Payables from constructions in progress	1,255,265	1,304,217	1,255,265	1,304,217
Transfer constructions in progress to property, plant and equipment	41,288,531	36,950,304	41,288,531	36,949,468
Transfer constructions in progress to intangible asset	709,485	2,696,131	709,485	2,696,131
Transfer constructions in progress to project assets	327,377	102,370	-	-
Transfer property, plant and equipment to investment properties	6,500	83,046	6,500	83,046
Transfer investment property to property, plant and equipment	39,246	1,973	39,246	1,973
Acquisitions of equipment under lease agreements	990,046	890,764	956,142	880,587
Received assets from donations	142,245	124,072	142,245	124,072

The accompanying notes are an integral part of the financial statements.

**Provincial Electricity Authority and its subsidiary**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2021**

**1. General information**

1.1 General information of Provincial Electricity Authority

Provincial Electricity Authority was established as a state enterprise for public utility under Provincial Electricity Authority Act, B.E. 2503 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.

1.2 Financial Criteria

According to the policy on determining the electricity tariff structure, the Energy Regulatory Commission (ERC) has established financial criteria with objectives to supervise the operational performance of Provincial Electricity Authority in order to bring about appropriate investments with a financial rate of return that reflects the weighted average cost of capital, efficiently control costs, monitor the investments and establish operating principles. In the event that the operational investing of Provincial Electricity Authority do not comply with the investment plan, the ERC will consider a clawback as stipulated in the criteria and conditions set forth by the ERC. Moreover, the ERC will consider restoring/recovering the financial position so that Provincial Electricity Authority is able to maintain financial position in accordance with the specified criteria and conditions (Return On Investment Capital: ROIC).

1.3 The spread of Coronavirus disease 2019

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

Therefore, the cabinet approved measures to assist people who has been affected by the effect of Coronavirus disease 2019 pandemic and alleviating their suffering by reducing basic utility expenses, during the year the related significant measures that Provincial Electricity Authority provided are as follows:

1.3.1 Measures to refund the electricity meter deposits to customers of type 1: a residential user, and type 2: a small business user, starting from 31 March 2020, onwards.

1.3.2 Measures of free electricity usages for type 1.1.1: a residential user with electricity usage free first 90 units according to monthly electricity bills from February 2021 to August 2021 except April 2021, and type 2: a small business user (excluding government agencies and state-owned companies) with electricity usage free first 50 units according to monthly electricity bills from February 2021 to June 2021 except April 2021 and with electricity usage free first 100 units according to July to August 2021.

1.3.3 Measures to reduce electricity for residential user type 1.1.2 and 1.2 according to monthly electricity bills from February 2021 to August 2021 except April 2021.

## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of Provincial Electricity Authority. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Provincial Electricity Authority and the following subsidiary company (“the subsidiary”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021	2020
			%	%
PEA ENCOM International Company Limited	Investing in electricity-related businesses and conducting training services concerning electricity systems	Thailand	100	100

- b) Provincial Electricity Authority is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) Subsidiary is fully consolidated, being the date on which Provincial Electricity Authority obtains control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiary are prepared using the same significant accounting policies as Provincial Electricity Authority.
  - e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiary under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.



#### **4. Significant accounting policies**

##### **4.1 Revenue and expense recognition**

###### **Sales**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

###### **Rendering of services**

Service revenue is recognised at a point in time upon completion of the service.

Construction service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

The recognised revenue which is not yet due per the contracts. The amounts recognised as are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advances received per contract / Deferred revenue" in the statement of financial position are recognised as revenue when the Group performs under the contract.

###### **Contributions for constructing electricity distributing systems**

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

### **Revenues from transferring of operating assets**

Revenues from transferring of operating assets represent assets received from donations 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 transferring of operating assets in the statements of financial position and recognised as revenues at the rate in accordance with depreciation rates of such assets over their useful lives.

Assets received from donations, which are not used in operations are recognised as other non-operating revenues in the statements of comprehensive income in the period of acquisitions.

### **Contribution revenues from foreign financial institutions**

Contribution revenues according to the solution of foreign financial institutions represent contributions from foreign financial institutions in forms 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 recognised as revenues based on the actual amount of expenses incurred.

### **Revenue compensations**

Revenue compensations received in accordance with resolution of regulators are recognised when the Group obtains the right to receive the revenue compensations.

### **Interest income**

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### **Dividends**

Dividends are recognised when the right to receive the dividends is established.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Inventories which consist of spare parts and supplies, are valued at the lower of cost (under the weighted average method) and net realisable value. Allowance is made in full for obsolete spare parts and supplies and for spare parts and supplies pending for improvement.

## **4.4 Specific-purpose deposits at financial institutions**

4.4.1 Specific-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. Special-purpose deposits comprises of electricity usage guarantee fund, sinking fund for repayment of bonds, and restricted cash. All of which can be used in Provincial Electricity Authority's activities in case of Provincial Electricity Authority having the deficits in working capital. Interest from electricity usage guarantee fund is used for benefits of electricity users and KFW special fund is used for scholarships, training, analysis and research.

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

## **4.5 Investments in subsidiary, joint ventures and associates**

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiary is accounted for in the separate financial statements using the cost method.

## **4.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated economic useful lives of 33 years. No depreciation is provided on land. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### **4.7 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. No depreciation is provide on constructions in progress.

#### **4.8 Property, plant and equipment/Depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	16 - 33 years
Buildings	16 - 33 years
Electricity generating systems	5 - 33 years
Electricity distributing systems	5 - 25 years
Furniture, tools and equipment	5 - 25 years
Vehicles	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.9 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>	
Computer software licenses	5	years
Computer software	5	years

#### 4.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. As at the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land and Land improvement	1 - 19 years
Buildings	1 - 5 years
Electricity generating systems	2 years
Furniture, tools and equipment	3 - 5 years
Vehicles	3 - 5 years
Intangible assets	6 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### **Short-term leases and leases of low-value assets**

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **The Group as a lessor**

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

#### **4.12 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, Provincial Electricity Authority, whether directly or indirectly, or which are under common control with Provincial Electricity Authority.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in Provincial Electricity Authority that gives them significant influence over Provincial Electricity Authority, key management personnel, directors, and officers with authority in the planning and direction of Provincial Electricity Authority's operations.

#### **4.13 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also Provincial Electricity Authority's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.14 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.15 Employee benefits**

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

Salaries, wages, overtimes, bonuses, contributions to the social security fund, compensated absences and other short-term benefits in accordance with the contract of employment are recognised as expenses when incurred.

##### **Post-employment benefits *and other long-term employee benefits***

##### ***Defined contribution plans***

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.



### ***Defined benefit plan and other long-term employee benefits***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under State Enterprise Labor Relations Act, B.E. 2543, compensation under Labor Law, compensated absences of employees who are dismissed without committing an offense under the law, unused portion of personal leaves of employees, souvenir for retired employees and other employee benefit plans in accordance with the contract of employment. In addition, The Group has other long-term employee benefit welfare for employees who are due in accordance with the conditions.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### **4.16 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.17 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

For subsidiary, current income is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

For subsidiary, deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Subsidiary recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Subsidiary reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Subsidiary records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to equity.

#### **4.18 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### **Classification and measurement of financial liabilities**

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.19 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

## Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, inflation rate, future salary increase rate, mortality rate and staff turnover rate.

## Provisions and contingent liabilities in relation to litigations

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and believes that loss incurred will not exceed the record amounts as at the end of reporting period.

## Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## 6. Related party transactions

During the years, the Group had significant business transactions with person or related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between Provincial Electricity Authority and those related parties.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Transactions with subsidiary company</u>				
(eliminated from the consolidated financial statements)				
Sales and services income	-	-	7	5
Construction and purchase of fixed asset	-	-	317	-
Other operating expenses	-	-	55	136
<u>Transactions with associates</u>				
Dividend income	50	50	-	-
Cost of electricity	477	486	477	486

As at 31 December 2021 and 2020, the balances of the accounts between Provincial Electricity Authority and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	2021	2020	2021	2020
<b>Other receivable – related party (Note 8)</b>				
Subsidiary	-	-	1	-
<b>Short-term loans to related parties</b>				
Associates	49	-	-	-
<b>Advance payments to suppliers</b>				
Subsidiary	-	-	-	93
<b>Trade and other payables - related party (Note 21)</b>				
Subsidiary	-	-	52	21
<b>Construction obligations</b>				
Subsidiary	-	-	2	-

### Short-term loans to related parties

As at 31 December 2021 and 2020, the balances of short-term loans to related parties and the movement in short-term loans are as follows:

	(Unit: Million Baht)			
	Balance as at 31 December 2020	Consolidated financial statements		Balance as at 31 December 2021
		Increase	Decrease	
<b>Short-term loans to related parties</b>				
<u>Associates</u>				
Thai Digital Energy Development Company Limited	-	17	-	17
Pracharath Biomass Maelan Company Limited	-	20	(10)	10
Pracharath Biomass Bannangsata Company Limited	-	28	(6)	22
<b>Total</b>	-	65	(16)	49

As at 31 December 2021, short-term loans to related parties are unsecured loans and are due within 2022 or within 30 days from the date of received from financial institutions, with an interest rate of 2.83 and 3.75 percent per annum.

Transactions with related parties as mentioned above do not include government agencies and state enterprises, except PEA ENCOM International Company Limited, a subsidiary of Provincial Electricity Authority.

### Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Short-term employee benefits	120	117	115	113
Post-employment benefits	4	4	4	4
Total	<u>124</u>	<u>121</u>	<u>119</u>	<u>117</u>

### 7. Cash and cash equivalents

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	53	38	53	38
Bank deposits - Current	35	3	31	-
Bank deposits - Saving	11,166	12,338	10,774	12,148
Bank deposits - Fixed	986	1,130	-	-
Total	<u>12,240</u>	<u>13,509</u>	<u>10,858</u>	<u>12,186</u>

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.45 percent per annum (2020: between 0.05 and 1.10 percent per annum).



## 8. Trade and other receivables

The balance of trade and other receivables as at 31 December 2021 and 2020, aged on the basis of due dates, can be summarised as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b><u>Trade receivables</u></b>				
Aged on the basis of due dates				
Not yet due	32,316	30,941	32,260	30,897
Past due				
Up to 3 months	7,453	6,975	7,453	6,970
3 - 6 months	1,013	1,489	1,012	1,485
6 - 12 months	759	732	756	732
Over 12 months	1,744	1,408	1,742	1,394
Total	43,285	41,545	43,223	41,478
Less: Allowance for expected credit losses	(2,126)	(1,848)	(2,096)	(1,832)
Total trade receivables - net	41,159	39,697	41,127	39,646
<b><u>Other receivables</u></b>				
Other receivables - unrelated parties	2,498	1,651	2,375	1,625
Other receivables - related party (Note 6)	-	-	1	-
Prepaid expenses	21	32	17	30
Interest receivable	8	24	7	23
Accrued revenues from the				
Power Development Fund	2,511	2,427	2,511	2,428
Other accrued revenues	483	728	179	695
Total	5,521	4,862	5,090	4,801
Less: Allowance for expected credit losses	(239)	(224)	(230)	(215)
Total other receivables - net	5,282	4,638	4,860	4,586
Trade and other receivables - net	46,441	44,335	45,987	44,232

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Beginning balance	2,072	1,746	2,047	1,744
Expected credit losses	308	335	294	312
Amount written off	(15)	(9)	(15)	(9)
Ending balance	<u>2,365</u>	<u>2,072</u>	<u>2,326</u>	<u>2,047</u>

The normal credit term is 10 to 60 days (Provincial Electricity Authority only: 10 to 18 days).

## 9. Inventories

(Unit: Million Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Operating materials and supplies	69	67	-	-	69	67
Materials and supplies for construction and maintenance	490	403	(2)	-	488	403
Materials and supplies for repair	1,526	1,582	-	-	1,526	1,582
Demolition materials and supplies, and obsolete materials and supplies	397	520	(2)	(6)	395	514
Materials and supplies pending for adjustments	54	36	(54)	(36)	-	-
Cars waiting for delivery	6	8	(2)	-	4	8
Materials and supplies in transit	4	11	-	-	4	11
Total	<u>2,546</u>	<u>2,627</u>	<u>(60)</u>	<u>(42)</u>	<u>2,486</u>	<u>2,585</u>

(Unit: Million Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Operating materials and supplies	69	67	-	-	69	67
Materials and supplies for construction and maintenance	483	401	-	-	483	401
Materials and supplies for repair	1,526	1,582	-	-	1,526	1,582
Demolition materials and supplies, and obsolete materials and supplies	397	520	(2)	(3)	395	517
Materials and supplies pending for adjustments	54	36	(54)	(36)	-	-
Materials and supplies in transit	4	11	-	-	4	11
Total	<u>2,533</u>	<u>2,617</u>	<u>(56)</u>	<u>(39)</u>	<u>2,477</u>	<u>2,578</u>

During the current year, the Group reduced cost of allowance for obsolete materials and supplies and allowance for loss or misstated or lost materials and supplies under investigation by Baht 148 million (2020: Baht 334 million) (Provincial Electricity Authority only: Baht 147 million, 2020: Baht 331 million), to reflect the net realisable value. This was included in expense. In addition, the Group reversed the write-down of cost of inventories by Baht 130 million (2020: Baht 440 million) (Provincial Electricity Authority only: Baht 130 million, 2020: Baht 439 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Specific-purpose deposits at financial institutions

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2021	2020
Electricity usage guarantee fund (Note 30)	23,548	23,160
Interest from electricity usage guarantee fund	4,878	4,783
Sinking fund for repayment of bonds	6,253	1,427
KFW special fund	184	212
Restricted deposits with banks	3,264	3,444
Funding under the energy conservation policy from Energy Policy and Planning Office and other government agencies	1	15
Deposits on incomes reimburse to users based on the Energy Regulatory Commission s directives	2,724	4,262
Total	<u>40,852</u>	<u>37,303</u>

Electricity usage guarantee fund, sinking fund for repayment of bonds and restricted cash are deposits at financial institutions that can be used in Provincial Electricity Authority's activities in case of Provincial Electricity Authority have deficits in working capital.

Sinking fund for repayment of bonds is used as Provincial Electricity Authority 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.

Interest from electricity usage guarantee fund, interest from KFW special fund, and funding under the energy conservation policy from Energy Policy are deposited at financial institutions which are restricted for specific purposes as determined by Provincial Electricity Authority.

Restricted deposits - saving accounts are used as a guarantee for Provincial Electricity Authority's employee loans. Provincial Electricity Authority has to maintain a balance of saving accounts at a monthly average of Baht 3,100 million.

Deposits on incomes reimburse to users based on the Energy Regulatory Commission's directives are deposits at financial institutions that Provincial Electricity Authority uses according to a resolution directive by the Energy Regulatory Commission.

## 11. Investments in subsidiary

### 11.1 Details of investment in subsidiary

Investment in subsidiary as at 31 December 2021 and 2020 are as follows:

	Separate financial statements			
	Paid-up capital		Shareholding percentage	
	2021	2020	2021	2020
	(Million Baht)	(Million Baht)	(%)	(%)
<b>Non-listed company</b>				
PEA ENCOM International Company Limited	3,295	2,451	100	100

Investment in subsidiary in the separate financial statements represent the investment in PEA Encom International Company Limited. The Subsidiary is registered in Thailand with purposes of investing in electricity-related businesses and conducting training services concerning electricity systems for public organisations and private organisations both domestically and internationally. Provincial Electricity Authority has acquired 100 percent shareholding of its ordinary shares. The investments in subsidiary are recorded under the cost method.

Investments in subsidiary as presented in separate financial statements details as follows:

	(Unit: Million Baht)	
	Separate financial statements	
	Cost	
	2021	2020
<b>Non-listed company</b>		
PEA ENCOM International Company Limited	3,295	2,451

During the years ended 31 December 2021 and 2020, there was no dividend received from the subsidiary.

### 11.2 Significant changes in investment in subsidiary

- On 20 January 2021, the Provincial Electricity Authority's Board of Directors Meeting No. 1/2021 passed resolutions to approve share capital increase for PEA ENCOM International Company Limited, the subsidiary of Provincial Electricity Authority, as follows:

1. An increase of share capital through issuance of 10.1 million shares with a par value of Baht 10 per share, totaling Baht 101 million was approved for PEA ENCOM International Company Limited to invest the proceeds in the power transmission system for the power plants of B.Grimm Power. (AIE - MTP) Company Limited. Provincial Electricity Authority paid for the shares on 11 March 2021 and PEA ENCOM International Company Limited registered the capital increase with the Ministry of Commerce on 25 March 2021. The shareholding percentage in subsidiary remains the same.
  2. An increase of Baht 1,150 million in share capital was approved for PEA ENCOM International Company Limited to invest in a solar energy power project of Set Energy Company Limited. Provincial Electricity Authority paid for the newly issued and called-up 62.6 million shares with a par value of 10 baht per share, totaling Baht 626 million on 5 April 2021. Also, PEA ENCOM International Company Limited registered the capital increase with the Ministry of Commerce on 9 April 2021. The shareholding percentage in subsidiary remains the same.
- b. On 21 April 2021, the Provincial Electricity Authority's Board of Directors Meeting No. 4/2021 passed resolutions to approve share capital increase for subsidiary through issuance of 11.7 million shares with a par value of Baht 10 per share, totaling Baht 117 million. The purpose of the capital increase was to jointly invest in MSEC Power Company Limited (MSEK) for the development of Solar Rooftop business in Thailand under a Private PPA power sales contract, with a target to reach 135 MW of solar capacity in 2025. Provincial Electricity Authority paid for the newly issued shares on 19 July 2021 and PEA ENCOM International Company Limited registered the capital increase with the Ministry of Commerce on 12 July 2021. The shareholding percentage in subsidiary remains the same.
- c. On 19 January 2022, the Provincial Electricity Authority's Board of Directors Meeting No. 1/2022 passed resolutions to approve share capital increase for subsidiary through issuance of 50 million shares with a par value of Baht 10 per share, totaling Baht 500 million, aiming to increase liquidity in the operation of the Solar Rooftop project. Provincial Electricity Authority paid for the newly issued shares on 16 March 2022 and PEA ENCOM International Company Limited registered the capital increase with the Ministry of Commerce on 23 March 2022. The shareholding percentage in subsidiary remains the same.

## 12. Investments in associates

### 12.1 Details of associates

Investments in associated companies in the consolidated financial statements as a transaction of PEA ENCOM International Company Limited which is the subsidiary of Provincial Electricity Authority, has jointly invested for the equity method.

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements									
			Shareholding percentage		Cost		Carrying amounts based on equity method		Allowance for impairment of investments		Carrying amounts based on equity method - Net	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)								
<b>Indirect holdings</b>												
Solar Power (Surin 1) Company Limited	Generating electricity from solar power	Thailand	25	25	41.25	41.25	110.1	101.4	-	-	110.1	101.4
Solar Power (Surin 2) Company Limited	Generating electricity from solar power	Thailand	25	25	41.25	41.25	107.9	99.0	-	-	107.9	99.0
Solar Power (KhonKaen 10) Company Limited	Generating electricity from solar power	Thailand	25	25	41.25	41.25	109.2	100.3	-	-	109.2	100.3
Solar Power (Loei 2) Company Limited	Generating electricity from solar power	Thailand	25	25	41.25	41.25	109.7	101.0	-	-	109.7	101.0
Pracharath Biomass Narathiwat Company Limited	Generating electricity from biomass	Thailand	40	40	2.4	2.4	2.2	2.2	(2.2)	(2.2)	-	-
Pracharath Biomass Maelan Company Limited	Generating electricity from biomass	Thailand	40	50.13	57.8	57.8	55.7	56.6	-	-	55.7	56.6

(Unit: Million Baht)

		Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Allowance for impairment of investments		Carrying amounts based on equity method - Net	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)								
<b>Indirect holdings (continued)</b>												
Pracharath Biomass Bannangsata Company Limited	Generating electricity from biomass	Thailand	40	50.55	61.6	61.6	58.8	59.9	-	-	58.8	59.9
Thai Serm Suk Energy Company Limited	Generating electricity from biomass	Thailand	25	25	25.0	25.0	24.0	23.6	-	-	24.0	23.6
Thai Digital Energy Development Company Limited	Develop integrated digital energy products and services	Thailand	25	25	50.0	50.0	49.5	49.8	-	-	49.5	49.8
Set Energy Company Limited	Develop and invest in smart power grids	Thailand	20	20	646.0	20.0	633.2	18.9	-	-	633.2	18.9
Encom Waste To Energy (Phranakhon Si Ayutthaya) Company Limited	Generating electricity from refuse derived fuel	Thailand	25	25	20.6	8.1	19.3	7.9	-	-	19.3	7.9
Salo Tech (Thailand) Company Limited	Generating and distribution of electricity	Thailand	25	25	30.5	1.3	29.1	0.7	-	-	29.1	0.7
Siam Electrail Company Limited	Develop electrical systems to support high-speed rail business	Thailand	25	25	3.1	3.1	2.7	3.1	-	-	2.7	3.1



(Unit: Million Baht)

		Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		Allowance for impairment of investments		Carrying amounts based on equity method - Net	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(%)	(%)								
<b>Indirect holdings (continued)</b>												
R E N Korat Energy Company Limited	Generating electricity from combined heat energy	Thailand	25	25	75.0	6.4	70.4	5.4	-	-	70.4	5.4
PEA Intelligent Technology Company Limited	Provide and sold electronic and smart devices	Thailand	25	25	1.5	1.5	1.5	1.5	-	-	1.5	1.5
Thai Encom Company Limited	Hire to set up a system for data analysis and research.	Thailand	25	-	6.3	-	6.3	-	-	-	6.3	-
PEA Encom Smart Solution Company Limited	Full services related to a solar cell system	Thailand	25	-	0.3	-	0.4	-	-	-	0.4	-
Total					<u>1,145.1</u>	<u>402.2</u>	<u>1,390.0</u>	<u>631.3</u>	<u>(2.2)</u>	<u>(2.2)</u>	<u>1,387.8</u>	<u>629.1</u>

## 12.2 Share of comprehensive income and dividend received

During the years ended 31 December 2021 and 2020, the subsidiary of Provincial Electricity Authority has recognised its share of comprehensive income from investments in associates in the statement of comprehensive income as follows:

(Unit: Million Baht)

Associates	Consolidated financial statements			
	Share of profits (losses) from investments in associates*		Dividend received by subsidiary	
	2021	2020	2021	2020
Solar Power (Surin 1) Company Limited	22.8	21.9	14.1	13.5
Solar Power (Surin 2) Company Limited	22.7	21.8	13.8	13.6
Solar Power (KhonKaen 10) Company Limited	20.6	20.3	11.7	11.9
Solar Power (Loei 2) Company Limited	18.8	19.1	10.1	11.2
Pracharath Biomass Narathiwat Company Limited	-	-	-	-
Pracharath Biomass Maelan Company Limited	(0.9)	(0.6)	-	-
Pracharath Biomass Bannangsata Company Limited	(1.1)	(1.1)	-	-
Thai Serm Suk Energy Company Limited	0.4	(0.5)	-	-
Thai Digital Energy Development Company Limited	(0.3)	(0.1)	-	-
Set Energy Company Limited	(11.7)	(1.1)	-	-
Encom Waste To Energy (Phranakhon Si Ayutthaya) Company Limited	(1.1)	(0.2)	-	-
Salo Tech (Thailand) Company Limited	(0.8)	(0.5)	-	-
Siam Electrail Company Limited	(0.4)	-	-	-
R E N Korat Energy Company Limited	(3.6)	(1.1)	-	-
PEA Intelligent Technology Company Limited	-	-	-	-
Thai Encom Company Limited	-	-	-	-
PEA Encom Smart Solution Company Limited	0.1	-	-	-
<b>Total</b>	<b>65.5</b>	<b>77.9</b>	<b>49.7</b>	<b>50.2</b>

\* Financial information for the year 2021 as presented in the consolidated financial statements were prepared by the management of associated companies.

During the years ended 31 December 2021 and 2020, there was no share of other comprehensive income from investments in associates.

### **12.3 Significant changes in investments in associates**

#### **Encom West to Energy (Phra Nakhon Si Ayutthaya) Company Limited**

During the year, Encom West to Energy (Phra Nakhon Si Ayutthaya) Company Limited called on payment for the newly issued shares. On 3 March 2021, the subsidiary of Provincial Electricity Authority paid for the shares in proportion to its original investment stake, or for 0.125 million shares at the rate of Baht 100 per shares, totaling Baht 12.5 million.

#### **R E N Korat Energy Company Limited**

During the year, R E N Korat Energy Company Limited called on payment for the newly issued shares. The subsidiary of Provincial Electricity Authority made payments for the shares in proportion to its original investment stake, or for 2.475 million shares at the rate of Baht 7.50 per share, totaling Baht 18.60 million, and for 5 million shares at the rate of Baht 10 per share, totaling Baht 50 million, on 30 March 2021 and 7 December 2021, respectively.

#### **Set Energy Company Limited**

During the year, Set Energy Company Limited called on payment for the newly issued shares. On 19 April 2021, the subsidiary of Provincial Electricity Authority paid for the shares in proportion to its original investment stake, or for 6.26 million shares at the rate of Baht 100 per share, totaling Baht 626 million.

#### **Salo Tech (Thailand) Company Limited**

During the year, Salo Tech (Thailand) Company Limited on payment for the newly issued shares. The subsidiary of Provincial Electricity Authority paid for the shares in proportion to its original investment stake in the amounts of EUR 0.29 million or Baht 10.75 million, EUR 0.25 million or Baht 9.25 million, and EUR 0.25 million or Baht 9.25 million, on 14 May 2021, 15 July 2021 and 29 October 2021, respectively.

#### **Pracharath Biomass Mae Lan Company Limited and Pracharath Biomass Bannang Sata Company Limited**

During the year 2020, Pracharath Biomass Mae Lan Company Limited and Pracharath Biomass Bannang Sata Company Limited resolved to approve the share capital increase. As a result, investment stakes in the associated companies increased from 40 percent to 50.13 percent, and to 50.55 percent, respectively. The reason for the increases in investment stakes was that a shareholder failed to pay for ordinary shares due to lack of financial liquidity.

However, during the current year, such shareholder made full payment for the ordinary shares. As a result, the investment stakes in these two associated companies remain the same at 40 percent.

### **Pracharath Biomass Narathiwat Company Limited**

During the year 2020, the subsidiary's management was of an opinion that there was uncertainty in the business operation of Pracharath Biomass Narathiwat Company Limited. Therefore, the management considered recording impairment loss of such investment in the financial statements, presented as investment under the equity method of Baht 2.2 million in profit or loss.

### **Thai Encom Company Limited**

On 4 October 2021, the subsidiary of Provincial Electricity Authority paid for the shares of Thai Encom Company Limited, a newly established company registered in Thailand, with a registered capital comprising 1,000 shares with a par value of Baht 100 per share. The subsidiary holds 25 percent the ordinary shares issued and sold, or 250 shares at the price of Baht 100, totaling Baht 25,000. The newly company is engaged in businesses relating to energy and renewable energy, efficient energy management, technology and communication, as well as businesses related to electric vehicles, data center establishment and construction.

On 20 October 2021, Thai ENCOM Company Limited called on payment for the newly issued 249,750 shares at the rate of 25 percent of the par value of Baht 100 per share. The subsidiary paid for the shares in proportion to its original investment stake amounting to Baht 6.3 million on 27 October 2021.

### **PEA ENCOM Smart Solution Company Limited**

On 14 December 2021, the subsidiary of Provincial Electricity Authority paid for the shares of PEA ENCOM Smart Solution Company Limited, a newly established company registered in Thailand that has registered capital comprising 100,000 shares with a par value of Baht 10 per share. The subsidiary holds 25 percent of the ordinary shares issued and sold, or 25,000 shares at the price of Baht 10, totaling Baht 0.3 million. The newly company is engaged in installation of solar cells for the public sector and small businesses sector, as well as organisation of training on solar cell system operation.

On 4 March 2022, PEA ENCOM Smart Solution Company Limited called on payment for the newly issued 225,000 shares with a par value of Baht 10 per share, under the plan to increase registered capital. On 14 March 2022, the subsidiary made payment for the shares in proportion to its original investment stake, totaling Baht 2.3 million.

### 13. Investments in joint ventures

#### 13.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the subsidiary of Provincial Electricity Authority and other companies as at 31 December 2021 and 2020. Details of these investments are as follows:

(Unit: Million Baht)

Joint venture	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on cost method	
			2021	2020	2021	2020	2021	2020
			(%)	(%)				
<b>Indirectly owned</b>								
PEA Encom Fah Chai joint venture	install and provide service on solar power electricity generating system	Thailand	25	25	5.5	5.5	5.3	5.3
Less: Allowance for impairment of investments					(5.5)	(5.5)	(5.3)	(5.3)
Total					-	-	-	-

Investments in joint venture in the consolidated financial statements is the investment of PEA ENCOM International Company Limited, the subsidiary of Provincial Electricity Authority, which has entered into a joint venture agreement in the name of PEA Encom Fah Chai joint venture to install and provide service on solar power electricity generating system on 8 March 2017 and are accounted by using the equity method.

During the year 2020, the management of the subsidiary assessed the uncertainty in the business operation of the joint venture. The subsidiary recognised allowance for impairment loss in such investment in which the investment under the equity method amounting to Baht 5.3 million in profit or loss.

During the years ended 31 December 2021 and 2020, there was no share of other comprehensive income from investments in joint venture and there was no dividend received from the joint venture.

#### 14. Other non-current financial assets

Other non-current financial assets represent the Group's investments details as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Equity instruments designated at FVOCI</u>				
Listed company equity investment WP Energy				
Public Company Limited	2	2	2	2
Non-listed company equity investment				
B.Grimm Power (AIE-MTP) Company Limited	255	241	-	-
Total	<u>257</u>	<u>243</u>	<u>2</u>	<u>2</u>

#### Investment in B.Grimm Power (AIE-MTP) Company Limited

During the year 2020, the subsidiary has jointly invested in B.Grimm Power (AIE-MTP) Company Limited to invest in the power generation business under the Small Power Producer (SPP) contract amounting to Baht 16.25 million ordinary shares, the shareholding proportion of 5 percent in B.Grimm Power (AIE-MTP) Company Limited amounting to Baht 241.3 million.

On 9 December 2021, B.Grimm Power (AIE-MTP) Company Limited called up for an additional 25 percent of the capital increase shares. According to the resolution of the Board of Directors of B.Grimm Power (AIE-MTP) Co., Ltd. No. 4/2021 dated 18 November 2021, approved to call for unpaid shares of 25 percent of the total amount. Capital increase, representing the value of shares in PEA Encom International Company Limited amounting to Baht 13.8 million.

#### 15. Other non-current receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Installment receivables	17	39	17	39
Lease receivables	9	1	-	-
Receivable under finance lease	974	600	22	23
Total	<u>1,000</u>	<u>640</u>	<u>39</u>	<u>62</u>

## 16. Constructions in progress

(Unit: Million Baht)

	Consolidated financial statements		
	The Group's capital budget	Partially funded by electricity users	Total
As at 1 January 2020	27,998	5,542	33,540
Acquisition - at cost	36,140	6,736	42,876
Transfer out	(32,482)	(7,266)	(39,748)
	31,656	5,012	36,668
Inventories			15,241
Work in progress			2
As at 31 January 2020			51,911
As at 1 January 2021	31,656	5,012	36,668
Transfer	(639)	639	-
Acquisition - at cost	40,638	6,688	47,326
Transfer out	(34,537)	(7,788)	(42,325)
	37,118	4,551	41,669
Inventories			14,406
Work in progress			2
As at 31 December 2021			56,077

(Unit: Million Baht)

	Separate financial statements		
	Provincial Electricity Authority's capital budget	Partially funded by electricity users	Total
As at 1 January 2020	27,926	5,542	33,468
Acquisition - at cost	35,713	6,736	42,449
Transfer out	(32,380)	(7,266)	(39,646)
	31,259	5,012	36,271
Inventories			15,241
Work in progress			2
As at 31 January 2020			51,514
As at 1 January 2021	31,259	5,012	36,271
Transfer	(639)	639	-
Acquisition - at cost	40,041	6,688	46,729
Transfer out	(34,210)	(7,788)	(41,998)
	36,451	4,551	41,002
Inventories			14,406
Work in progress			2
As at 31 December 2021			55,410

Inventories presented in constructions in progress are the materials and supplies which Provincial Electricity Authority has purchased with specific purposes for use in the projects.

Provincial Electricity Authority has borrowed specific loans to construct buildings, electricity generating and distributing systems which are eligible for qualifying assets. The borrowing costs that directly attributable to the construction of qualifying assets and incurred from loans made for specific purposes are capitalised as cost of assets at interest rates of 0.72 to 6.53 percent per annum (2020: 0.72 to 6.53 percent per annum). Interest expenses on loans for the year ended 31 December 2021 amounting to Baht 3,600 million (2020: Baht 2,991 million) are capitalised as part of the cost of constructions in progress amounting to Baht 608 million (2020: Baht 339 million) and recognised as expenses in profit or loss amounting to Baht 2,992 million (2020: Baht 2,652 million).

## 17. Investment properties

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Land and land improvements	Building and improvements	Construction in progress	Total	Land and land improvements	Building and improvements	Construction in progress	Total
As at 31 December 2020								
Cost	149	475	-	624	149	475	-	624
Less: Accumulated depreciation	-	(123)	-	(123)	-	(123)	-	(123)
Net book value	149	352	-	501	149	352	-	501
As at 31 December 2021								
Cost	117	475	49	641	117	475	-	592
Less: Accumulated depreciation	-	(140)	-	(140)	-	(140)	-	(140)
Net book value	117	335	49	501	117	335	-	452

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	501	436	501	436
Acquisition - at cost	49	-	-	-
Transfer	(32)	81	(32)	81
Depreciation for the year	(17)	(16)	(17)	(16)
Net book value at end of year	501	501	452	501



Provincial Electricity Authority had rental revenue from investment properties for the year ended 31 December 2021 of Baht 26 million (2020: Baht 23 million). As at 31 December 2021, the cost value of land for lease is Baht 43 million (2020: Baht 43 million) and the cost value of building for lease is Baht 475 million (2020: Baht 475 million).

The additional information of the investment properties as at 31 December 2021 and 2020 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
The fair value of land and land improvements	397	421	397	421
The fair value of building and building improvements	174	176	174	176
The fair value of construction in progress	49	-	-	-
<b>Total</b>	<b>620</b>	<b>597</b>	<b>571</b>	<b>597</b>

The fair value has been determined based on valuation announced by the Treasury Department and the fair value of construction in progress is stated at cost.

## 18. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Million Baht)						
	Consolidated financial statements						
	Land and land improvements	Buildings and construction	Electricity generating systems	Electricity distributing systems	Furniture, tools and equipment	Vehicles	Total
<b>Cost:</b>							
1 January 2020	16,432	18,903	2,675	492,106	24,788	10,569	565,473
Additions	1,196	202	5	16	1,242	1,467	4,128
Received from donations	-	-	6	107	4	5	122
Transfer from construction in progress	444	1,372	6	32,772	2,316	42	36,952
Transfer	(54)	2	(1)	(102)	31	2	(122)
Disposals	(19)	(64)	(3)	(3,707)	(434)	(152)	(4,379)
31 December 2020	17,999	20,415	2,688	521,192	27,947	11,933	602,174
Additions	733	100	19	106	1,058	1,531	3,547
Received from donations	-	-	-	142	-	-	142
Transfer from construction in progress	406	1,304	28	38,289	1,258	4	41,289
Transfer	41	7	373	(50)	2	(378)	(5)
Disposals	(16)	(165)	(3)	(6,162)	(589)	(141)	(7,076)
31 December 2021	19,163	21,661	3,105	553,517	29,676	12,949	640,071

(Unit: Million Baht)

## Consolidated financial statements

	Land and land improvements	Buildings and construction	Electricity generating systems	Electricity distributing systems	Furniture, tools and equipment	Vehicles	Total
<b>Accumulated depreciation:</b>							
1 January 2020	1,681	7,032	1,314	252,886	15,666	8,235	286,814
Depreciation for the year	146	605	93	19,337	1,819	464	22,464
Transfer	10	(1)	-	(68)	16	2	(41)
Depreciation on disposals	(13)	(33)	(3)	(2,752)	(403)	(152)	(3,356)
31 December 2020	1,824	7,603	1,404	269,403	17,098	8,549	305,881
Depreciation for the year	158	653	43	20,149	1,980	572	23,555
Transfer	1	4	146	(41)	1	(148)	(37)
Depreciation on disposals	(10)	(118)	(3)	(4,742)	(583)	(140)	(5,596)
31 December 2021	1,973	8,142	1,590	284,769	18,496	8,833	323,803
<b>Net book value:</b>							
31 December 2020	16,175	12,812	1,284	251,789	10,849	3,384	296,293
31 December 2021	17,190	13,519	1,515	268,748	11,180	4,116	316,268
<b>Depreciation for the year</b>							
2020 (Baht 246 million included in construction in progress cost, and the balance in statement of profit or loss)							22,218
2021 (Baht 275 million included in construction in progress cost, and the balance in statement of profit or loss)							23,280

(Unit: Million Baht)

## Separate financial statements

	Land and land improvements	Buildings and construction	Electricity generating systems	Electricity distributing systems	Furniture, tools and equipment	Vehicles	Total
<b>Cost:</b>							
1 January 2020	16,432	18,903	2,675	492,106	24,783	10,569	565,468
Additions	1,196	202	5	13	1,240	1,467	4,123
Asset received from donations	-	-	6	107	4	5	122
Transfer from construction in progress	444	1,372	6	32,771	2,316	40	36,949
Transfer	(54)	2	(1)	(102)	31	2	(122)
Disposals	(19)	(64)	(3)	(3,707)	(434)	(152)	(4,379)
31 December 2020	17,999	20,415	2,688	521,188	27,940	11,931	602,161
Additions	733	99	19	121	1,056	1,531	3,559
Asset received from donations	-	-	-	142	-	-	142
Transfer from construction in progress	406	1,304	28	38,289	1,258	4	41,289
Transfer	41	7	373	(50)	2	(378)	(5)
Disposals	(16)	(165)	(3)	(6,162)	(589)	(141)	(7,076)
31 December 2021	19,163	21,660	3,105	553,528	29,667	12,947	640,070

(Unit: Million Baht)

	Separate financial statements						Total
	Land and land improvements	Buildings and construction	Electricity generating systems	Electricity distributing systems	Furniture, tools and equipment	Vehicles	
<b>Accumulated depreciation:</b>							
1 January 2020	1,681	7,032	1,314	252,886	15,663	8,235	286,811
Depreciation for the year	146	605	93	19,336	1,818	464	22,462
Transfer	9	(1)	-	(67)	16	2	(41)
Depreciation on disposals	(12)	(33)	(3)	(2,753)	(403)	(152)	(3,356)
31 December 2020	1,824	7,603	1,404	269,402	17,094	8,549	305,876
Depreciation for the year	158	653	43	20,148	1,979	572	23,553
Transfer	1	4	146	(41)	1	(148)	(37)
Depreciation on disposals	(10)	(118)	(3)	(4,742)	(583)	(140)	(5,596)
31 December 2021	1,973	8,142	1,590	284,767	18,491	8,833	323,796
<b>Net book value:</b>							
31 December 2020	16,175	12,812	1,284	251,786	10,846	3,382	296,285
31 December 2021	17,190	13,518	1,515	268,761	11,176	4,114	316,274
<b>Depreciation for the year</b>							
2020 (Baht 246 million included in construction in progress cost, and the balance in statement of profit or loss)							22,216
2021 (Baht 275 million included in construction in progress cost, and the balance in statement of profit or loss)							23,278

As at 31 December 2021, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 104,673 million (2020: Baht 99,399 million) (Provincial Electricity Authority only: Baht 104,672 million, 2020: Baht 99,399 million).

## 19. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

	Consolidated financial statements			Separate financial statements		
	Computer software licenses	Computer software	Total	Computer software licenses	Computer software	Total
As at 31 December 2020						
Cost	4,741	2,007	6,748	4,738	2,007	6,745
Less: Accumulated amortisation	(3,776)	(302)	(4,078)	(3,776)	(302)	(4,078)
Net book value	965	1,705	2,670	962	1,705	2,667
As at 31 December 2021						
Cost	5,032	2,398	7,430	5,027	2,398	7,425
Less: Accumulated amortisation	(3,999)	(840)	(4,839)	(3,998)	(840)	(4,838)
Net book value	1,033	1,558	2,591	1,029	1,558	2,587

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	2,670	406	2,667	406
Acquisition - cost	66	252	63	249
Received from donations	-	2	-	2
Transfers from construction in progress	709	2,696	709	2,696
Amortisation for the year	(854)	(686)	(852)	(686)
Net book value at end of year	<u>2,591</u>	<u>2,670</u>	<u>2,587</u>	<u>2,667</u>

As at 31 December 2021, certain items of Computer software licenses were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 3,329 million (2020: Baht 3,103 million) (Provincial Electricity Authority only: Baht 3,328 million, 2020: Baht 3,103 million).

## 20. Other non-current assets

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Employee receivables	78	76	78	76
Deferred expenses	24	21	24	21
Retentions and deposits	4	2	2	2
Deferred tax assets	16	24	-	-
Revenue Department receivable	-	55	-	-
PEA Employee Gratuity Fund				
- Saving accounts	1	1	1	1
Total	<u>123</u>	<u>179</u>	<u>105</u>	<u>100</u>

## 21. Trade and other payables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payables - unrelated parties	42,868	42,241	42,803	42,140
Trade payables - related party (Note 6)	-	-	1	-
Other payables - unrelated parties	1,304	1,522	1,294	1,516
Other payables - related party (Note 6)	-	-	23	20
Accrued interest expenses	938	807	938	807
Accrued expenses - unrelated parties	3,222	2,419	2,841	2,394
Accrued expenses - related party (Note 6)	-	-	28	-
Unearned revenues - unrelated parties	235	270	235	270
Unearned revenues - related party (Note 6)	-	-	-	1
<b>Total trade and other payables</b>	<b>48,567</b>	<b>47,259</b>	<b>48,163</b>	<b>47,148</b>

## 22. Long-term loans

	Interest rate (% per annum)	Repayment schedule	(Unit: Million Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
			2021	2020	2021	2020
<u>Domestic long-term loans</u>						
The Ministry of						
Finance	Interest free	1988 - 2031	133	133	133	133
Bonds	1.33 - 4.90	2007 - 2041	127,013	104,197	127,013	104,197
Financial institutions	0.7228	2020 - 2031	1,031	3,343	-	3,000
<u>Foreign long-term loans</u>						
Financial institutions	8.00*	2007 - 2023	75	109	75	109
<b>Total</b>			<b>128,252</b>	<b>107,782</b>	<b>127,221</b>	<b>107,439</b>
Less: Current portion			(5,636)	(8,243)	(5,554)	(8,243)
<b>Long-term loans, net of current portion</b>			<b>122,616</b>	<b>99,539</b>	<b>121,667</b>	<b>99,196</b>

\* Borrowing interest rate of 8 percent per annum under the loan contract includes interest expense that Provincial Electricity Authority paid into KFW special fund at the rate of 6 percent per annum. The objective is to be used to develop the personnel of Provincial Electricity Authority. Another 2 percent per year is paid to lenders.

Movements of the long-term loan account for the years ended 31 December 2021 and 2020 summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2021					
	Balance as at 1 January 2021	Additions during year	Decreases during year	Unrealised loss on foreign exchange	Premium (discount) amortise	Balance as at 31 December 2021
<u>Domestic long-term loans</u>						
The Ministry of Finance	133	-	(16)	15	1	133
Bonds	104,197	28,000	(5,190)	-	6	127,013
Financial institutions	3,343	688	(3,000)	-	-	1,031
<u>Foreign long-term loans</u>						
Financial institutions	109	-	(36)	2	-	75
<b>Total</b>	<b>107,782</b>	<b>28,688</b>	<b>(8,242)</b>	<b>17</b>	<b>7</b>	<b>128,252</b>

(Unit: Million Baht)

	Consolidated financial statements					
	2020					
	Balance as at 1 January 2020	Additions during year	Decreases during year	Unrealised loss on foreign exchange	Premium (discount) amortise	Balance as at 31 December 2020
<u>Domestic long-term loans</u>						
The Ministry of Finance	156	-	(16)	3	(10)	133
Bonds	74,298	35,000	(5,100)	-	(1)	104,197
Financial institutions	1,000	2,343	-	-	-	3,343
<u>Foreign long-term loans</u>						
Financial institutions	197	-	(97)	9	-	109
<b>Total</b>	<b>75,651</b>	<b>37,343</b>	<b>(5,213)</b>	<b>12</b>	<b>(11)</b>	<b>107,782</b>

(Unit: Million Baht)

	Separate financial statements					
	2021					
	Balance as at 1 January 2021	Additions during year	Decreases during year	Unrealised loss on foreign exchange	Premium (discount) amortise	Balance as at 31 December 2021
<u>Domestic long-term loans</u>						
The Ministry of Finance	133	-	(16)	15	1	133
Bonds	104,197	28,000	(5,190)	-	6	127,013
Financial institutions	3,000	-	(3,000)	-	-	-
<u>Foreign long-term loans</u>						
Financial institutions	109	-	(36)	2	-	75
<b>Total</b>	<b>107,439</b>	<b>28,000</b>	<b>(8,242)</b>	<b>17</b>	<b>7</b>	<b>127,221</b>

(Unit: Million Baht)

	Separate financial statements					Balance as at 31 December 2020
	2020					
	Balance as at 1 January 2020	Additions during year	Decreases during year	Unrealised loss on foreign exchange	Premium (discount) amortise	
<u>Domestic long-term loans</u>						
The Ministry of Finance	156	-	(16)	3	(10)	133
Bonds	74,298	35,000	(5,100)	-	(1)	104,197
Financial institutions	1,000	2,000	-	-	-	3,000
<u>Foreign long-term loans</u>						
Financial institutions	197	-	(97)	9	-	109
<b>Total</b>	<b>75,651</b>	<b>37,000</b>	<b>(5,213)</b>	<b>12</b>	<b>(11)</b>	<b>107,439</b>

During the year Provincial Electricity Authority issues PEA bonds B.E. 2564 and B.E. 2565, summarised as follows:

No.	Facility (Million Baht)	Issued date	Maturity date	Interest rate (% per annum)	Interest payment term
No.4/2564	5,000	24 February 2021	24 February 2026	1.33	Every six months
No.5/2564	1,000	29 July 2021	29 July 2031	2.26	Every six months
No.6/2564	9,000	29 July 2021	29 January 2037	2.85	Every six months
No.1/2565	5,000	30 November 2021	30 November 2027	1.80	Every six months
No.2/2565	3,000	30 November 2021	30 November 2033	3.07	Every six months
No.3/2565	5,000	30 November 2021	30 November 2041	3.67	Every six months

Long-term loan from a foreign financial institution of Provincial Electricity Authority secured by the Ministry of Finance.

Long-term loan from a domestic financial institution of the subsidiary is secured by the assets of the distribution and installation of generating electricity from Solar Power project, (Solar Rooftop) presented as other non-current receivables in the statement of financial position. In addition, the subsidiary has to comply with certain requirements as stipulated in the agreement which includes maintaining financial ratios as stipulated in the contract.

As at 31 December 2021, the long-term credit facilities and other credit facilities of the Group which have not yet been drawn down amounted to Baht 3,118 million (Provincial Electricity Authority only: Baht 3,000 million) (2020: Baht 3,806 million, Provincial Electricity Authority only: Baht 3,000 million).

## 23. Leases

### 23.1 The Group as a lessee

The Group has lease contracts for various items of land, buildings, vehicles and others used in its operations. Leases generally have lease terms between 1 - 19 years.

#### 23.1.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements						Total
	Land and land improvement	Buildings and construction	Electricity generating systems	Furniture, tool and equipment	Vehicles	Intangible assets	
As at 1 January 2020	58	100	7	7	1,177	148	1,497
Additions	75	59	48	3	693	13	891
Decrease from contract termination	-	(1)	-	-	-	-	(1)
Depreciation for the year	(32)	(55)	(9)	(3)	(498)	(150)	(747)
As at 31 December 2020	101	103	46	7	1,372	11	1,640
Additions	89	63	-	-	838	-	990
Decrease from contract termination	(2)	(2)	-	-	(2)	-	(6)
Depreciation for the year	(53)	(73)	(24)	(3)	(567)	(2)	(722)
As at 31 December 2021	135	91	22	4	1,641	9	1,902



(Unit: Million Baht)

## Separate financial statements

	Land and land improvement	Buildings and construction	Electricity generating systems	Furniture, tool and equipment	Vehicles	Intangible assets	Total
As at 1 January 2020	58	89	7	7	1,174	148	1,483
Additions	75	49	48	3	693	13	881
Decrease from contract termination	-	(1)	-	-	-	-	(1)
Depreciation for the year	(32)	(53)	(9)	(3)	(497)	(150)	(744)
As at 31 December 2020	101	84	46	7	1,370	11	1,619
Additions	58	63	-	-	835	-	956
Depreciation from contract termination	(1)	(2)	-	-	(2)	-	(5)
Depreciation for the year	(52)	(69)	(24)	(3)	(566)	(2)	(716)
As at 31 December 2021	106	76	22	4	1,637	9	1,854

## 23.1.2 Lease liabilities

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Lease payments	2,226	1,969
Less: Deferred interest expenses	(110)	(136)
Total	2,116	1,833
Less: Portion due within one year	(852)	(718)
Lease liabilities - net of current portion	<u>1,264</u>	<u>1,115</u>

(Unit: Million Baht)

	Separate financial statements	
	2021	2020
Lease payments	2,170	1,944
Less: Deferred interest expenses	(104)	(133)
Total	2,066	1,811
Less: Portion due within one year	(841)	(713)
Lease liabilities - net of current portion	<u>1,225</u>	<u>1,098</u>

Movements of the lease liabilities account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	1,833	1,670	1,811	1,656
Additions	990	891	956	881
Accretion of interest	70	88	69	87
Repayments	(777)	(816)	(770)	(813)
Balance at end of year	<u>2,116</u>	<u>1,833</u>	<u>2,066</u>	<u>1,811</u>

A maturity analysis of lease payments is disclosed in Note 39.1 under the liquidity risk.

### 23.1.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Depreciation expense of right-of-use assets	722	748	716	744
Interest expense on lease liabilities	70	88	69	87
Expense relating to short-term leases	41	60	40	59
Expense relating to leases of low-value assets	2	5	2	5
Expense relating to variable lease payments that do not depend on an index or a rate	32	31	31	30

### 23.1.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 852 million (2020: Baht 765 million) (Provincial Electricity Authority only: Baht 843 million, 2020: Baht 760 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

### 23.2 Group as a lessor

The Group has entered into finance leases for its generating electricity from solar rooftop system of the lease terms are between 15 - 25 years.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Undiscounted lease payments receivable under finance leases				
Within 1 year	100	66	2	2
Over 1 and up to 5 years	382	254	7	7
Over 5 years	1,049	730	32	33
Total	1,531	1,050	41	42
Less: Deferred interest income	(509)	(426)	(18)	(19)
Net investment in the finance leases	1,022	624	23	23
Less: Allowance for expected credit losses	(24)	(16)	-	-
Net	998	608	23	23

## 24. Accrued remittance to the Ministry of Finance

Movements of accrued remittance to the Ministry of Finance for the years ended 31 December 2021 and 2020 summarised as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2021	2020
Balance at beginning of year	15,855	9,582
Adjustment for remittance to the Ministry of Finance for the year 2019	-	(4,088)
Adjustment for remittance to the Ministry of Finance for the year 2020	(4,043)	-
Reserve for remittance to public revenues	7,854	11,343
Remit to public revenues during the year	(7,503)	(982)
Balance at end of year	12,163	15,855

The Ministry of Finance requires Provincial Electricity Authority to allocate net profit to the Ministry of Finance as state revenue remittance at the rate of 50 percent of net profit before deducting bonus expenses or at the remittance amount specified in the Annual Budget Appropriation Act of the Budget Bureau, Office of the Prime Minister.

During the year, Provincial Electricity Authority has to reserve for remittance to public revenue as stipulated in the Annual Budget Expenditure Act, Budget B.E. 2565

The State Enterprise Policy Office approved that Provincial Electricity Authority is to remit the state revenue for the year 2020 of Baht 7,300 million to the Ministry of Finance. During the year 2021, Provincial Electricity Authority already remitted such amount in full to the Ministry of Finance. Therefore, Provincial Electricity Authority adjusted the revenue projection of Baht 4,043 million.

The state Enterprise Policy Office approved that Provincial Electricity Authority is to remit the state revenue for the half-year 2021 of Baht 203 million to the Ministry of Finance. During the year 2021, Provincial Electricity Authority already remitted such amount of half-year in full to the Ministry of Finance.

## 25. Deposits payable

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2021	2020
Pending repayment electricity usage guarantee	133	158
Other deposits payable	214	272
Total deposits payable	347	430

## 26. Other current liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Retentions and deposits	442	283	435	283
Undue output tax	2,809	2,700	2,809	2,697
Suspense accounts	143	118	143	118
Total other current liabilities	3,394	3,101	3,387	3,098

## 27. Provisions for litigations

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2021	2020
Balance at beginning of year	370	268
Increase	86	104
Decrease	(27)	(2)
Balance at end of year	429	370

As at 31 December 2021, provisions for litigations have been set up for lawsuits relates to litigation in which compensation claims have been lodged against Provincial Electricity Authority. Provincial Electricity Authority has assessed the status of these lawsuits and expects to have provision for liabilities under 77 lawsuits (2020: 74 lawsuits), consisting of 33 cases in which full compensation of the claims is expected to be set up and 44 cases in which the compensation is expected to be less than the claims.

## 28. Construction obligations

As at 31 December 2021, The group had construction obligations of Baht 5,999 million (2020: Baht 7,290 million) (Provincial Electricity Authority only: Baht 6,000 million, 2020: Baht 7,290 million) from Provincial Electricity Authority receiving payment to expand the electricity distributing areas for electricity users which the electricity users have fully or partially funded the construction costs. The ownership of the assets belongs to Provincial Electricity Authority.

## 29. Deferred revenue

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2021	2020
Contributions for construction	54,753	52,982
Deferred revenues from transferring of assets	1,270	1,253
Deferred revenues from rental	322	337
Deferred revenues from services	128	134
Deferred revenues from energy management	4	4
Deferred revenues from donation	182	162
Total deferred revenue	<u>56,659</u>	<u>54,872</u>

## 30. Electricity usage guarantee

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2021	2020
Specific-purpose deposits at financial institutions (Note 10)	23,548	23,160
Suspense saving accounts	37	130
Total deferred revenue	<u>23,585</u>	<u>23,290</u>

Movements of Electricity usage guarantee for the years ended 31 December 2021 summarised as follows:

	(Unit: Million Baht)
	Consolidated and separate financial statements
Balance at beginning of year	23,290
Increase from electricity usage guarantee	2,550
Decrease in refunding of electricity usage guarantee	(230)
Decrease in offset with unpaid electricity bills	(714)
Decrease in electricity usage cancellation or changing collateral from cash to bank guarantees	(1,282)
Transfer guarantees to income	(29)
Balance at end of year	23,585

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 be repaid 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 for public interests and/or beneficial activities for electricity users.

Provincial Electricity Authority has set the Regulation on Supervision of Electricity Usage Guarantee Fund, B.E.2557 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 on 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 saving accounts 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.

### 31. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Provision for long-term post employee benefits	15,884	17,402	15,882	17,400
Provision for special post employee benefits	219	276	219	276
Provision for long service year award	151	201	151	201
<b>Total</b>	<b>16,254</b>	<b>17,879</b>	<b>16,252</b>	<b>17,877</b>



Provision for long-term employee benefits are presented as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	2021			2020		
	Post-employment benefits	Other long-term employee benefits	Total	Post-employment benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee benefits at beginning of year</b>	17,678	201	17,879	18,095	231	18,326
Included in profit or loss:						
Current service cost	1,161	20	1,181	1,162	20	1,182
Interest cost	292	4	296	289	3	292
Past service costs and gains or losses on settlement	196	(1)	195	(31)	(1)	(32)
Included in other comprehensive income:						
Actuarial gain arising from						
Financial assumptions changes	(1,603)	(31)	(1,634)	-	-	-
Experience adjustments	-	-	-	(1)	-	(1)
Benefits paid during the year	(1,621)	(42)	(1,663)	(1,836)	(52)	(1,888)
<b>Provision for long-term employee benefits at end of year</b>	<b>16,103</b>	<b>151</b>	<b>16,254</b>	<b>17,678</b>	<b>201</b>	<b>17,879</b>

(Unit: Million Baht)

	Separate financial statements					
	2021			2020		
	Post-employment benefits	Other long-term employee benefits	Total	Post-employment benefits	Other long-term employee benefits	Total
<b>Provision for long-term employee benefits at beginning of year</b>	17,676	201	17,877	18,093	231	18,324
Included in profit or loss:						
Current service cost	1,161	20	1,181	1,161	20	1,181
Interest cost	292	4	296	289	3	292
Past service costs and gains or losses on settlement	196	(1)	195	(31)	(1)	(32)
Included in other comprehensive income:						
Actuarial gain arising from						
Financial assumptions changes	(1,603)	(31)	(1,634)	-	-	-
Benefits paid during the year	(1,621)	(42)	(1,663)	(1,836)	(52)	(1,888)
<b>Provision for long-term employee benefits at end of year</b>	<b>16,101</b>	<b>151</b>	<b>16,252</b>	<b>17,676</b>	<b>201</b>	<b>17,877</b>

During 2021, Provincial Electricity Authority has approved an amendment to change the annual cumulative vacation schedule for retired employees from 30 days to 35 days. The change is considered to be an amendment of the retirement benefit scheme and resulted in an increase of Baht 220 million in Provincial Electricity Authority's long-term employee benefit reserve. Provincial Electricity Authority recorded the impact of the change by recognising past service costs as an expense immediately in the statement of comprehensive income.

Actuarial gain arising from defined benefit plans for employees of the group are recognised amounting to other comprehensive income Baht 1,634 million in the statement of comprehensive income (2020: Baht 1 million) (Provincial Electricity Authority only: Baht 1,634 million, 2020: Nil).

The Group expects to pay Baht 1,512 million of long-term employee benefits during the next year (2020: Baht 1,514 million) (Provincial Electricity Authority only: Baht 1,512 million, 2020: Baht 1,514 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 20.5 years (2020: 21.5 years) (Provincial Electricity Authority only: 20.5 years, 2020: 21.5 years).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	2.15 - 2.54	1.87 - 2.15	2.54	1.87
Inflation rate	2.00	2.00 - 2.50	2.00	2.50
Salary increase rate	7.00 - 9.00	7.00 - 9.00	7.00 - 9.00	7.00 - 9.00
Turnover rate	0.00 - 8.00	0.00 - 8.00	0.20 - 8.00	0.20 - 8.00
Mortality rate	Thai mortality table 2017 with 3% adjustment of mortality rate	Thai mortality table 2017 with 3% adjustment of mortality rate	Thai mortality table 2017 with 3% adjustment of mortality rate	Thai mortality table 2017 with 3% adjustment of mortality rate

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

		2021			
		Consolidated financial statements		Separate financial statements	
	(%)	Increase	Decrease	Increase	Decrease
Discount rate	1	(1,668)	2,025	(1,668)	2,025
Inflation rate	1	60	(51)	60	(51)
Salary increase rate	1	2,355	(1,967)	2,355	(1,966)
Turnover rate	20*	(132)	139	(132)	138
Mortality rate	1	80	(92)	80	(192)

(Unit: Million Baht)

		2020			
		Consolidated financial statements		Separate financial statements	
	(%)	Increase	Decrease	Increase	Decrease
Discount rate	1	(1,916)	2,343	(1,915)	2,342
Inflation rate	1	67	(57)	67	(57)
Salary increase rate	1	2,495	(2,805)	2,495	(2,804)
Turnover rate	20*	(141)	147	(141)	147
Mortality rate	1	84	(97)	84	(97)

\* percent of assumptions

### 32. Revenue from contracts with customers

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Type of goods or service:</b>				
Sale of electricity	483,747	460,077	483,747	460,077
Construction service income	3,840	3,446	3,840	3,446
Rendering of services	10,081	9,773	9,660	9,645
Total revenue from contracts with customers	497,668	473,296	497,247	473,168

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	3,263	3,146	2,836	3,013
Revenue recognised over time	494,405	470,150	494,411	470,155
Total revenue from contracts with customers	<u>497,668</u>	<u>473,296</u>	<u>497,247</u>	<u>473,168</u>

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 35 relating to the segment information:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
External customers	497,668	473,296	497,247	473,168
Inter-segment	398	148	-	-
	498,066	473,444	497,247	473,168
Adjustments and eliminations	(398)	(148)	-	-
Total revenue from contracts with customers	<u>497,668</u>	<u>473,296</u>	<u>497,247</u>	<u>473,168</u>

### **Assistance and support in accordance with relief measures entities impacted by COVID-19**

On 1 June 2021, the Cabinet acknowledged and approved of the resolutions passed by the Loan Expenditure Screening Committee in the meetings No. 17/2021 and No. 18/2021 with respect to measures to relieve the obligation on cost of basic utilities due to the new outbreak of the COVID-19 (electricity and water supply expenses) of the Ministry of Interior by the financial support from financial sources as per the Emergency Decree Authorizing the Ministry of Finance to Raise Loans to Solve Problems, to Remedy and Restore the Economy and Society as Affected by the Coronavirus Disease Pandemic, B.E. 2563 (2019) (the Emergency Decree) whereby Provincial Electricity Authority received Baht 3,390 million on 9 July 2021.

On 17 August 2021, the Cabinet approved the resolution passed by the Loan Expenditure Screening Committee in the meeting No. 29/2021 in accordance with the Emergency Decree whereby Provincial Electricity Authority received Baht 6,154 million on 28 September 2021.

On 9 November 2021, the Cabinet approved the resolution passed by the Loan Expenditure Screening Committee in the meeting No. 13/2021 in accordance with the Emergency Decree B.E. 2564 whereby Provincial Electricity Authority received Baht 10,293 million on 24 December 2021.

### **33. Revenue compensation**

With respect to sending contributions to and disbursement of money from the Power Development Fund under Section 97(1) and Section 97 paragraph two for revenue compensation among power utilities that are Provincial Electricity Authority, Metropolitan Electricity Authority and Electricity Generating Authority of Thailand to enhance extensive electrification and to support the policy on development decentralization to provincial areas, Metropolitan Electricity Authority is required to remit contributions to the Power Development Fund in accordance with Section 97(1) and Section 97 paragraph two on a monthly basis. The contributions are calculated based on the total amount for the year of Baht 11,508 million, or equivalent to Baht 959 million per month, in accordance with the Order of the Energy Regulatory Commission No.4/2021 dated 22 January 2021 (2020: calculated based the total amount for the year of Baht 14,784 million, or equivalent to Baht 1,232 million per month in accordance with the Order of the Energy Regulatory Commission No. 22/2020 dated 28 February 2020). Provincial Electricity Authority can request to disburse from the Power Development Fund in compliance with Section 97(1) and Section 97 paragraph two in the amount equal to the amount that Metropolitan Electricity Authority has contributed to the Power Development Fund each month. For the year ended 31 December 2021, the amount that Provincial Electricity Authority disbursed from the Power Development Fund in this matter was Baht 11,508 million (2020: Bath 14,784 million).

On 22 June 2021, the Energy Regulatory Commission (ERC) resolved to acknowledge the results of the calculation of the financial position. (preliminary actual value) for the year 2020. In calculating the return of the difference, the return amount of Baht 590 million for accrued income for the year 2019 shall be net with the results of the calculation of the financial position. Therefore, Provincial Electricity Authority recorded a reduction in revenue compensation with such amount.

### 34. Finance cost

(Unit: Million Baht)

	Consolidated		financial	
	statements		Separate	
	2021	2020	2021	2020
Interest expenses on borrowings	2,997	2,655	2,993	2,653
Interest expenses on lease liabilities	70	88	69	87
Total	3,067	2,743	3,062	2,740

### 35. Segment information

Operating segment information is reported in a manner consistent with Provincial Electricity Authority's internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units by region and have five reportable segments as follows:

- North
- Northeast
- Central region
- South
- Head office

The Group has aggregated the operating segments presented them as the reportable segment. The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Provincial Electricity Authority segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit and total assets/total liabilities information regarding the Group's operating segments.

Total assets/total liabilities information regarding operating segments as at 31 December 2021 and 2020 are as follows:

(Unit: Million Baht)

	Northern		Northeastern		Central		Southern		Head office		Elimination		Consolidated financial statement	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Assets</b>														
Trade receivables	6,157	6,136	6,734	6,803	21,269	20,527	7,669	7,367	4,669	3,523	(57)	(21)	46,441	44,335
Other current assets	686	501	545	493	864	692	677	662	57,211	55,253	-	(94)	59,983	57,507
Property, plant and equipment	67,854	64,511	71,171	64,430	101,081	95,707	70,797	66,900	5,379	4,745	(14)	-	316,268	296,293
Other non-current assets	9,371	8,257	12,910	13,510	15,522	13,840	11,145	10,904	17,993	14,172	(3,053)	(2,222)	63,888	58,461
<b>Total Assets</b>	<b>84,068</b>	<b>79,405</b>	<b>91,360</b>	<b>85,236</b>	<b>138,736</b>	<b>130,766</b>	<b>90,288</b>	<b>85,833</b>	<b>85,252</b>	<b>77,693</b>	<b>(3,124)</b>	<b>(2,337)</b>	<b>486,580</b>	<b>456,596</b>
<b>Liabilities and equity</b>														
Current liabilities	65,699	59,932	77,293	69,739	(284,210)	(263,921)	32,849	27,813	174,772	175,057	(57)	(115)	66,346	68,505
Long-term loans	-	-	-	-	-	-	-	-	128,252	107,782	-	-	128,252	107,782
Other non-current liabilities	18,534	18,733	25,017	25,340	38,219	37,824	19,682	20,206	4,874	4,431	(2)	-	106,324	106,534
Total Liabilities	84,233	78,665	102,310	95,079	(245,991)	(226,097)	52,531	48,019	307,898	287,270	(59)	(115)	300,922	282,821
Equity	(165)	740	(10,950)	(9,843)	384,727	356,863	37,757	37,814	(222,646)	(209,577)	(3,065)	(2,222)	185,658	173,775
<b>Total Liabilities and equity</b>	<b>84,068</b>	<b>79,405</b>	<b>91,360</b>	<b>85,236</b>	<b>138,736</b>	<b>130,766</b>	<b>90,288</b>	<b>85,833</b>	<b>85,252</b>	<b>77,693</b>	<b>(3,124)</b>	<b>(2,337)</b>	<b>486,580</b>	<b>456,596</b>



Operating results information regarding operating segments as at 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)												Consolidated	
	Northern		Northeastern		Central		Southern		Head office		Eliminations		financial statement	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Statement of comprehensive income</b>														
Sales and Rendering of services	75,663	71,752	86,253	79,402	254,151	242,506	80,699	79,130	1,300	654	(398)	(148)	497,668	473,296
Revenue compensations	1,628	2,337	1,876	2,618	5,670	7,876	1,744	2,543	-	-	-	-	10,918	15,374
Other income	85	107	113	123	260	341	166	162	282	175	(50)	(50)	856	858
<b>Total revenues</b>	<b>77,376</b>	<b>74,196</b>	<b>88,242</b>	<b>82,143</b>	<b>260,081</b>	<b>250,723</b>	<b>82,609</b>	<b>81,835</b>	<b>1,582</b>	<b>829</b>	<b>(448)</b>	<b>(198)</b>	<b>509,442</b>	<b>489,528</b>
Cost of electricity	66,471	64,717	75,951	72,042	216,000	208,167	69,861	69,981	-	-	-	-	428,283	414,907
Employee compensations	3,845	4,041	4,545	4,662	4,707	4,783	3,602	3,699	3,514	3,560	(6)	(4)	20,207	20,741
Employee benefit expenses	325	281	383	326	402	346	308	266	255	222	-	-	1,673	1,441
Management's benefits	6	5	6	6	6	5	6	6	96	95	-	-	120	117
Preventive, repair and maintenance, and construction expenses	1,164	936	1,304	1,110	1,890	1,784	1,553	1,289	1,991	1,138	(173)	(1)	7,729	6,256
Depreciation and amortisation expenses	5,079	4,866	5,398	5,083	7,318	6,969	5,483	5,297	1,595	1,453	-	-	24,873	23,668
Other operating expenses	1,628	1,609	2,044	2,041	2,097	1,958	1,812	1,854	1,744	1,928	(203)	(143)	9,122	9,247
Other expenses	71	135	70	141	242	120	342	254	114	579	-	-	839	1,229
<b>Total expenses</b>	<b>78,589</b>	<b>76,590</b>	<b>89,701</b>	<b>85,411</b>	<b>232,662</b>	<b>224,132</b>	<b>82,967</b>	<b>82,646</b>	<b>9,309</b>	<b>8,975</b>	<b>(382)</b>	<b>(148)</b>	<b>492,846</b>	<b>477,606</b>
Share of profit from investments in associates	-	-	-	-	-	-	-	-	-	-	66	78	66	78
Finance income	17	12	14	9	50	66	25	14	368	619	-	-	474	720
Finance cost	(14)	(18)	(11)	(14)	(17)	(21)	(16)	(22)	(3,009)	(2,668)	-	-	(3,067)	(2,743)
Profit (loss) before income tax expenses	(1,210)	(2,400)	(1,456)	(3,273)	27,452	26,636	(349)	(819)	(10,368)	(10,195)	-	28	14,069	9,977
Income tax income (expenses)	-	-	-	-	-	-	-	-	(10)	8	-	-	(10)	8
Profit (loss) for the year	(1,210)	(2,400)	(1,456)	(3,273)	27,452	26,636	(349)	(819)	(10,378)	(10,187)	-	28	14,059	9,985
Other comprehensive income	-	-	-	-	-	-	-	-	1,635	1	-	-	1,635	1
<b>Total comprehensive income for the year</b>	<b>(1,210)</b>	<b>(2,400)</b>	<b>(1,456)</b>	<b>(3,273)</b>	<b>27,452</b>	<b>26,636</b>	<b>(349)</b>	<b>(819)</b>	<b>(8,743)</b>	<b>(10,186)</b>	<b>-</b>	<b>28</b>	<b>15,694</b>	<b>9,986</b>

## Major customers

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

### 36. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 which employees have option to pay into the fund accumulated at the rate of 3 - 15 percent of the salary of each and Provincial Electricity Authority will pay into the fund at the rate of 9 - 11 percent of salary of members. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 1,287 million (2020: Baht 1,316 million) (Provincial Electricity Authority only: Baht 1,285 million 2020: Baht 1,314 million) were recognised as expenses.

### 37. Commitments and contingent liabilities

#### 37.1 Capital commitments

As at 31 December 2021, Provincial Electricity Authority had capital commitments of approximately Baht 1,782 million (2020: Baht 3,050 million), mainly relating to purchase materials and supplies for construction.

#### 37.2 Lease commitments

As at 31 December 2021 and 2020, the Group has future lease payments for land, buildings and vehicles required under these non-cancellable leases contracts that have not yet commenced as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Payable:				
Within 1 year	39	43	39	42
Over 1 and up to 5 years	30	58	30	59

### **37.3 Service commitments**

As at 31 December 2021, the subsidiary has commitment remaining amounting to Baht 2.5 million (2020: Bah 4.3 million), relating to consulting agreement for analysing to study the suitability of the acquisition and consulting agreement for inspect documents, control work and manage the contract for the construction of the 115 KV transmission line linking the BPAM power station with the GSPP1 power station amounting to Baht 0.4 million (2020: Nil)

### **37.4 Significant long-term agreement commitments**

As at 31 December 2021, Provincial Electricity Authority has commitment under the Power Purchase Agreement with the Very Small Power Producer amounting to 946 contracts (2020: 942 contracts). The performance of the contracts are in accordance with the terms and conditions. specified in the contracts. The purchase of electricity consists of the base electricity cost. Electricity bill according to the formula for automatically adjusting the electricity rate. The purchase price of electricity will be added and the operating fee is deducted by 2 percent (if any). The purchase price will vary according to the contractual sales volume and the type of fuel that the each VSPP has contracted with Provincial Electricity Authority.

### **37.5 Contributions to the Power Development Fund commitments**

According to the Energy Business Act B.E. 2550, Sections 97(4) and 97(5) (Act), Provincial Electricity Authority must remit money to the Power Development Fund to promote the use of renewable energy and the technology used. in the electricity business that has an impact on the environment and to promote society and people to have knowledge, awareness and participation in electricity. The amount delivered is based on calculation from Provincial Electricity Authority's distribution unit each month and other relevant information in accordance with the rules and conditions specified in the said Act. During the year, Provincial Electricity Authority has recorded such expenditure in profit or loss amounted to Baht 955 million (2020: Baht 700 million).

### **37.6 Litigations**

As at 31 December 2021, Provincial Electricity Authority was being sued in 325 lawsuits with claims totaling Baht 13,165 million, which are under judicial proceedings. Provincial Electricity Authority expects to have to pay full compensation of the claims for 33 cases. Of the remaining cases, 248 cases are not expected to the results in significant losses and in 44 cases the compensation paid is expected to be less than the claims.

A summary of the lawsuits that are not expected to the results of significant losses and that may result in monetary damages less than the claims are as follows:

1. A total of 52 cases in which injured persons requested Provincial Electricity Authority to demolish assets or continue construction to completion, with claims amounting to totalling Baht 26 million.
2. A total of 52 cases where the injured persons claimed compensations from Provincial Electricity Authority in relation to employment and employee benefits, with claims amounting to totalling Baht 608 million.
3. A total of 73 cases in which the injured persons claimed for damages from Provincial Electricity Authority in circumstances where other persons or plaintiffs had received the damages from the property of Provincial Electricity Authority, with claims amounting to totalling Baht 279 million.
4. A total of 115 cases in which the injured persons claimed compensations from Provincial Electricity Authority in breach of contracts and infringement lawsuits, with claims amounting to totalling Baht 11,824 million.

### 38. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed company equity investment	2	-	-	2
Non-listed company equity investment	-	-	255	255
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	620	620
<b>Liabilities for which fair value are disclosed</b>				
Long-term loans	-	129,546	214	129,760

(Unit: Million Baht)

Consolidated financial statements				
2020				
Level 1	Level 2	Level 3	Total	
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed company equity investment	2	-	-	2
Non-listed company equity investment	-	-	241	241
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	597	597
<b>Liabilities for which fair value are disclosed</b>				
Long-term loans	-	111,868	247	112,115

(Unit: Million Baht)

Separate financial statements				
2021				
Level 1	Level 2	Level 3	Total	
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed company equity investment	2	-	-	2
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	571	571
<b>Liabilities for which fair value are disclosed</b>				
Long-term loans	-	129,546	214	129,760

(Unit: Million Baht)

Separate financial statements				
2020				
Level 1	Level 2	Level 3	Total	
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed company equity investment	2	-	-	2
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	597	597
<b>Liabilities for which fair value are disclosed</b>				
Long-term Loans	-	111,868	247	112,115

During the current year, The Group has no change in methods and assumptions used in measured the fair value of financial instruments and, there were no transfers within the fair value hierarchy.

## **39. Financial instruments**

### **39.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivable, short-term loans to related parties, specific-purpose deposits at financial institution, restricted bank deposits, other non-current financial assets, trade and other payables, long-term loans, lease liabilities, and other non-current payables. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivable, short-term loans to related parties, specific-purpose deposits at financial institution, restricted bank deposits, bank deposits, deposits at financial institution, other non-current financial assets, and other financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. Most of the electricity debtors of Provincial Electricity Authority are juristic persons and natural persons. There may be a risk arising from the debtor's failure to comply with the terms of the contract, which may cause damage to Provincial Electricity Authority and there may be a risk of credit concentration. However, there has been no significant losses that effect to Provincial Electricity Authority in the past.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by revenues type and customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

## **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk.

### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to loans that are denominated in foreign currencies. Exchange rate risk arises from changes in foreign currency exchange rates. which caused an impact on Provincial Electricity Authority in the current period and in the following years, which the Group It is expected that the effect of exchange rate changes is insignificant on the Group's foreign-denominated financial assets and liabilities. Because most of the group's transactions are made in Thai baht.

### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to its banks deposits, trade and other receivable, short-term loans to related parties, specific-purpose deposits at financial institution, restricted bank deposits, other non-current receivables, trade and other payables, long-term loans, lease liabilities, and other non-current payables. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

## Consolidated financial statements

2021							
Fixed interest rates							
Within 1 year	1- 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial assets</u>							
Cash and cash equivalent	986	-	-	11,166	88	12,240	0.050 - 0.450
Trade and other receivables	39	-	-	-	46,402	46,441	0.590 - 19.664
Short-term loans to related parties	49	-	-	-	-	49	2.830 - 3.750
Specific-purpose deposits at financial institutions	28,265	-	-	12,587	-	40,852	0.555 - 0.800
Restricted bank deposits	50	-	-	-	-	50	0.250
Other non-current receivables	-	223	774	-	3	1,000	0.590 - 19.664
	29,389	223	774	23,753	46,493	100,632	
<u>Financial liabilities</u>							
Trade and other payables	6	-	-	-	48,561	48,567	2.667 - 6.726
Long-term loans	5,536	46,817	74,727	1,031	141	128,252	1.330 - 4.900
Lease liabilities	852	1,227	37	-	-	2,116	1.433 - 6.850
Other non-current payables	-	14	-	-	3	17	2.667 - 6.726
	6,394	48,058	74,764	1,031	48,705	178,952	

(Unit: Million Baht)

## Consolidated financial statements

2020							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial assets</u>							
Cash and cash equivalent	1,130	-	-	12,338	41	13,509	0.050 - 1.100
Trade and other receivables	19	-	-	-	44,316	44,335	0.590 - 19.664
Specific-purpose deposits at financial institutions	28,183	-	-	9,120	-	37,303	0.650 - 1.550
Restricted bank deposits	50	-	-	-	-	50	0.250
Other non-current receivables	-	129	492	-	19	640	0.590 - 19.664
	29,382	129	492	21,458	44,376	95,837	



(Unit: Million Baht)

## Consolidated financial statements

	2020						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<u>Financial liabilities</u>							
Trade and other payables	6	-	-	-	47,253	47,259	2.667 - 6.726
Long-term loans	8,226	26,453	72,617	343	143	107,782	0.722 - 6.530
Lease liabilities	718	1,075	40	-	-	1,833	1.384 - 6.850
Other non-current payables	-	21	-	-	18	39	2.667 - 6.726
	<u>8,950</u>	<u>27,549</u>	<u>72,657</u>	<u>343</u>	<u>47,414</u>	<u>156,913</u>	

(Unit: Million Baht)

## Separate financial statements

	2021						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalent	-	-	-	10,774	84	10,858	0.050 - 0.250
Trade and other receivables	7	-	-	-	45,980	45,987	2.361 - 6.790
Specific-purpose deposits at financial institutions	28,265	-	-	12,587	-	40,852	0.555 - 0.800
Other non-current receivables	-	17	19	-	3	39	2.361 - 6.790
	<u>28,272</u>	<u>17</u>	<u>19</u>	<u>23,361</u>	<u>46,067</u>	<u>97,736</u>	
<u>Financial liabilities</u>							
Trade and other payables	6	-	-	-	48,157	48,163	2.667 - 6.726
Long-term loans	5,536	46,817	74,727	-	141	127,221	1.330 - 4.900
Lease liabilities	841	1,188	37	-	-	2,066	1.433 - 3.589
Other non-current payables	-	14	-	-	3	17	2.667 - 6.726
	<u>6,383</u>	<u>48,019</u>	<u>74,764</u>	<u>-</u>	<u>48,301</u>	<u>177,467</u>	

(Unit: Million Baht)

## Separate financial statements

	2020						
	Fixed interest rates			Floating	Non-interest	Total	Effective
	Within	1-5	Over	Floating	Non-interest	Total	Effective
	1 year	years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
<b>Financial assets</b>							
Cash and cash equivalent	-	-	-	12,148	38	12,186	0.050 - 0.300
Trade and other receivables	7	-	-	-	44,225	44,232	2.361 - 6.790
Specific-purpose deposits at							
financial institutions	28,183	-	-	9,120	-	37,303	0.650 - 1.550
Other non-current receivables	-	23	20	-	19	62	2.361 - 6.790
	<u>28,190</u>	<u>23</u>	<u>20</u>	<u>21,268</u>	<u>44,282</u>	<u>93,783</u>	
<b>Financial liabilities</b>							
Trade and other payables	6	-	-	-	47,142	47,148	2.667 - 6.726
Long-term loans	8,226	26,453	72,617	-	143	107,439	0.722 - 6.530
Lease liabilities	714	1,057	40	-	-	1,811	1.384 - 2.691
Other non-current payables	-	21	-	-	18	39	2.667 - 6.726
	<u>8,946</u>	<u>27,531</u>	<u>72,657</u>	<u>-</u>	<u>47,303</u>	<u>156,437</u>	

**Liquidity risk**

The Group monitors the risk of a shortage of liquidity by maintaining sufficient cash and cash equivalents to support the Group's operations and reduce the risks that may arise from the effects of fluctuations in cash flow. Approximately 30.81 percent of the Group's debt will mature in less than one year at 31 December 2021 (2020: 35.88 percent) (Provincial Electricity Authority only: 30.78 percent, 2020: 35.92 percent) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Financial liabilities</b>				
Trade and other payables	48,332	-	-	48,332
Deposits payable	348	-	-	348
Long-term loans	5,638	47,402	75,288	128,328
Lease liabilities	901	1,274	51	2,226
Other non-current payables	-	18	-	18
<b>Total financial liabilities</b>	<b>55,219</b>	<b>48,694</b>	<b>75,339</b>	<b>179,252</b>

(Unit: Million Baht)

	Consolidated financial statements			
	2020			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Financial liabilities</b>				
Trade and other payables	46,988	-	-	46,988
Deposits payable	430	-	-	430
Long-term loans	8,244	26,660	72,964	107,868
Lease liabilities	779	1,135	55	1,969
Other non-current payables	-	40	-	40
<b>Total financial liabilities</b>	<b>56,441</b>	<b>27,835</b>	<b>73,019</b>	<b>157,295</b>

(Unit: Million Baht)

	Separate financial statements			
	2021			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Financial liabilities</b>				
Trade and other payables	47,929	-	-	47,929
Deposits payable	348	-	-	348
Long-term loans	5,555	46,907	74,834	127,296
Lease liabilities	888	1,231	51	2,170
Other non-current payables	-	18	-	18
<b>Total financial liabilities</b>	<b>54,720</b>	<b>48,156</b>	<b>74,885</b>	<b>177,761</b>

(Unit: Million Baht)

	Separate financial statements			
	2020			
	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Financial liabilities</b>				
Trade and other payables	46,877	-	-	46,877
Deposits payable	430	-	-	430
Long-term loans	8,244	26,533	72,747	107,524
Lease liabilities	774	1,115	55	1,944
Other non-current payables	-	40	-	40
<b>Total financial liabilities</b>	<b>56,325</b>	<b>27,688</b>	<b>72,802</b>	<b>156,815</b>

### 39.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Long-term loans	127,221	129,760	104,439	112,115

The methods and assumptions used by the Grouping estimating the fair value of financial instruments are as follows:

- a) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- b) The fair value of fixed rate debentures and long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- c) The carrying amounts of debentures and long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

#### **40. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise value, and subsidiary meets financial covenants attached to the loan agreements of subsidiary. The subsidiary has complied with these covenants throughout the reporting periods.

As at 31 December 2021, the Group's debt-to-equity ratio was 1.62:1 (2020: 1.63:1) and Provincial Electricity Authority only was 1.62:1 (2020: 1.63:1).

## 41. Reclassification

The Group's reclassifications accounts are as follows:

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated Financial Statements		Separate Financial Statements	
		As previously		As previously
	As reclassified	reported	As reclassified	reported
<u>Statements of financial position</u>				
Investment in other current financial assets	-	1,561	-	1,561
Trade account receivables	-	36,990,141	-	36,950,588
Other current receivables	-	1,290,564	-	1,258,766
Accrued revenues	-	3,178,959	-	3,145,266
Trade and other receivables	44,335,018	-	44,231,977	-
Other current assets	83,722	79,384	65,908	65,915
Restricted bank deposits	50,000	-	-	-
Other non-current financial assets	242,811	241,250	1,561	-
Other non-current assets	178,610	228,610	99,911	99,911
Trade account payables	-	39,168,401	-	39,168,401
Other current payables	-	4,682,054	-	4,596,565
Accrued expenses	-	2,419,603	-	2,394,692
Accrued interest expense on loans	-	807,468	-	807,468
Trade and other payables	47,259,133	-	47,147,545	-
Current portion of long-term loans	8,242,447	8,244,438	8,242,447	8,244,438
Other current liabilities	3,100,838	403,024	3,097,874	400,943
Long-term loans, net of current portion	99,539,287	99,537,296	99,196,390	99,194,399
Sales and service guarantee	1,554,729	1,554,458	1,552,400	1,552,400
Retained earnings - Unappropriated	168,878,804	174,334,402	168,503,026	173,960,058
Other components of equity	(1,981)	(5,457,579)	(1,981)	(5,459,013)

(Unit: Thousand Baht)

For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously	As reclassified	As previously
		reported		reported
<u>Statement of comprehensive income</u>				
Sales and rendering of services	473,296,199	473,703,482	473,167,787	473,575,071
Other income	857,910	1,170,959	857,046	1,160,473
Finance income	720,332	-	710,711	-
<u>Cash flow statement</u>				
Profit for the year	-	9,985,280	-	9,944,701
Profit before tax	9,977,581	-	9,944,701	-
Adjustments to reconcile profit before tax				
to net cash provided by (paid from)				
operating activities:				
Depreciation and amortisation	23,667,756	23,913,196	23,662,048	23,907,488
Expected credit losses	334,405	320,628	311,782	311,782
Loss from impairment of assets under				
financing service contracts	-	13,761	-	-
Bonuses for employees and directors	-	1,204,740	-	1,204,740
Loss on disposal of assets	-	534,852	-	534,852
Loss on sales and write-off of assets	885,461	-	885,461	-
(Gain) loss on disposal of materials and				
supplies	-	16,116	-	16,116
Loss from write-off of materials	16,116	-	16,116	-
Other non-operating revenues	-	(12,271)	-	(12,271)
Amortisation premium (discount)				
on loans	(13,374)	-	(12,271)	-
Revenues from receive scrap materials	(430,843)	(80,234)	(430,843)	(80,234)
Deferred income tax	-	(7,699)	-	-
Interest income	-	(717,519)	-	(710,711)
Financial income	(720,332)	-	(710,711)	-
Operating assets (increase) decrease				
Trade account receivables	-	(2,440,827)	-	(2,430,374)
Other current receivables	-	(935,447)	-	(906,546)
Accrued revenues	-	(235,039)	-	(201,931)
Trade and other receivables	(3,882,778)	-	(3,801,002)	-

(Unit: Million Baht)

For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously	As reclassified	As previously
		reported		reported
<u>Cash flow statement (continued)</u>				
Other current assets	4,772	50,159	21,545	62,673
Other non-current receivables	67,663	106,213	(15,649)	35,185
Operating liabilities increase (decrease)				
Trade accounts payable	-	(5,214,164)	-	(5,214,164)
Other current payable	-	815,724	-	776,898
Accrued expenses	-	(314,158)	-	(335,527)
Cash paid for bonuses	-	(1,608,952)	-	(1,606,182)
Trade and other payables	(4,935,482)	-	(4,993,423)	-
Deferred revenues	6,107,010	6,102,783	6,107,010	6,102,783
Other current liabilities	225,599	74,855	224,846	74,588
Sales and service guarantee	467,996	467,725	467,175	467,175
Employee gratuity fund	-	(1,604)	-	(1,604)
Other non-current liabilities	30,967	32,571	30,967	32,571
Cash received from interest income	789,488	786,675	778,269	778,269
Cash paid for investments in current				
financial assets	(1,884,606)	-	(2,000,000)	-
Cash received for investments in current				
financial assets	3,000,000	1,115,394	3,000,000	1,000,000
Cash paid for constructions in progress	(45,256,188)	(45,501,628)	(44,828,845)	(45,074,285)
Repayment of short-term loans	(5,000,000)	-	(5,000,000)	-
Repayment of long-term loans	(5,212,846)	(10,212,846)	(5,212,846)	(10,212,846)
Interest paid	(2,448,533)	(2,449,636)	(2,446,709)	(2,446,709)
Repayments of lease liabilities	(815,816)	(834,632)	(812,458)	(831,274)

The reclassifications had no effect to previously reported profit or equity.

#### 42. Approval of financial statements

These financial statements were authorised for issue by Provincial Electricity Authority's Governor on 24 March 2022.