

Provincial Electricity Authority and its subsidiary
Report and consolidated financial statements
31 December 2023

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 2023, 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 2023, 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* issued by the State Audit Commission and the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are 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 of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Other Matter

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.


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. 

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: 21 March 2024

Provincial Electricity Authority and its subsidiary
Statements of financial position
As at 31 December 2023

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	8,213,931	9,689,324	7,227,366	8,559,848
Trade and other receivables	6, 8	54,206,744	62,506,381	53,956,338	62,091,946
Inventories	9	1,993,497	1,634,793	1,989,346	1,628,764
Specific-purpose deposits at financial institutions	10	42,383,253	37,957,206	42,383,253	37,957,206
Undue input VAT		2,993,909	3,588,256	2,990,234	3,584,363
Advance payments to suppliers	6	2,157,920	1,966,807	2,156,509	1,959,366
Other current assets	6	144,084	108,298	125,347	89,869
Total current assets		112,093,338	117,451,065	110,828,393	115,871,362
Non-current assets					
Restricted bank deposits		50,000	50,000	-	-
Investments in subsidiary	11	-	-	5,110,621	4,010,621
Investments in associates	12	2,858,214	1,678,069	-	-
Investments in joint venture	13	-	-	-	-
Other non-current financial assets	14	283,415	256,641	1,415	1,641
Other non-current receivables	15	2,527,700	1,728,877	744,889	344,585
Constructions in progress	16	67,615,245	66,630,652	66,918,269	65,752,838
Investment properties	17	468,203	461,859	468,203	461,859
Property, plant and equipment	18	354,290,805	331,418,440	354,314,089	331,426,449
Right-of-use assets	22.1.1	1,917,662	2,018,142	1,909,969	2,004,784
Intangible assets	19	3,031,717	2,988,625	3,029,524	2,985,378
Other non-current assets		327,703	193,983	234,225	146,970
Total non-current assets		433,370,664	407,425,288	432,731,204	407,135,125
Total assets		545,464,002	524,876,353	543,559,597	523,006,487

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 2023

		(Unit: Thousand Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Liabilities and equity					
Current liabilities					
Trade and other payables	6, 20	58,116,790	66,590,583	57,906,523	66,379,287
Current portion of long-term loans	21	11,578,132	9,451,180	11,516,367	9,352,242
Current portion of lease liabilities	22.1.2	908,151	913,955	895,832	907,499
Accrued remittance to the Ministry of Finance	23	15,069,621	10,229,231	15,069,621	10,229,231
Advance received per contract		1,274,942	1,352,746	1,274,942	1,352,746
Deposits payable	24	570,706	381,796	570,706	381,796
Other current liabilities	6, 25	3,888,100	6,233,774	3,877,622	6,203,415
Total current liabilities		91,406,442	95,153,265	91,111,613	94,806,216
Non-current liabilities					
Long-term loans, net of current portion	21	147,643,999	133,161,473	146,799,117	132,311,707
Lease liabilities, net of current portion	22.1.2	1,833,416	1,592,048	1,825,344	1,566,159
Other non-current payables		32,345	14,665	32,345	14,665
Provisions for litigations	26	150,176	268,284	150,176	268,284
Provisions for service contracts		393,245	276,484	-	-
Construction obligations	6, 27	6,810,948	6,501,739	6,810,948	6,503,473
Deferred revenues	6, 28	56,715,886	56,653,265	56,717,533	56,653,265
Electricity usage guarantee	29	26,144,264	24,468,344	26,144,294	24,468,374
Sales and service guarantee	6	3,066,637	2,197,733	3,078,605	2,190,002
Provision for long-term employee benefits	30	16,168,477	15,731,603	16,164,280	15,728,167
Other non-current liabilities		128,250	84,525	128,250	84,525
Total non-current liabilities		259,087,643	240,950,163	257,850,892	239,788,621
Total liabilities		350,494,085	336,103,428	348,962,505	334,594,837

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 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Equity				
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	13,244	11,653	-	-
Unappropriated	190,075,505	183,873,667	189,709,713	183,524,045
Other components of equity	(8,337)	(1,900)	(2,126)	(1,900)
Total equity	194,969,917	188,772,925	194,597,092	188,411,650
Total liabilities and equity	545,464,002	524,876,353	543,559,597	523,006,487

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



(Mr. Supachai Ek-un)
Director and Governor



(M.R. Sirivan Kasemsant Na Ayuthaya)
Deputy Governor
(Accounting and Finance)

Provincial Electricity Authority and its subsidiary
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales and rendering of services	6, 31	676,511,194	593,217,478	676,372,992	592,765,549
Revenue compensations	32	12,000,000	12,000,000	12,000,000	12,000,000
Dividend income	6, 11.1	-	-	4,262	19,618
Other income	6	1,082,305	1,326,826	1,075,629	1,324,442
Total revenues		689,593,499	606,544,304	689,452,883	606,109,609
Expenses					
Cost of electricity	6	601,676,058	524,523,945	601,676,058	524,523,945
Employee compensations		20,805,061	21,077,845	20,765,436	21,042,690
Employee benefit expenses		1,529,090	1,960,793	1,528,220	1,960,010
Directors and management's benefits		115,004	125,233	111,525	121,669
Preventive, repair and maintenance, and construction expenses	6	8,258,268	7,930,454	8,175,878	7,533,084
Depreciation and amortisation expenses		28,274,494	26,490,604	28,265,188	26,477,196
Other operating expenses	6	11,102,621	9,154,012	11,050,313	9,049,939
Other expenses		389,997	695,370	390,172	695,370
Total expenses		672,150,593	591,958,256	671,962,790	591,403,903
Operating profit		17,442,906	14,586,048	17,490,093	14,705,706
Share of profit from investments in associates	12.2	59,859	62,729	-	-
Finance income		1,019,705	496,153	1,010,017	490,527
Finance cost	33	(3,934,227)	(3,637,154)	(3,926,068)	(3,628,432)
Profit before income tax		14,588,243	11,507,776	14,574,042	11,567,801
Tax income (income tax expenses)		3,472	(755)	-	-
Profit for the year		14,591,715	11,507,021	14,574,042	11,567,801
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Share of other comprehensive income from investments in associates	12.2	(6,211)	-	-	-
Total other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(6,211)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss) - net of income tax	30	(242,286)	963,189	(242,374)	963,189
Loss on changes in value of equity investments designated at fair value through other comprehensive income		(226)	(255)	(226)	(255)
Total other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(242,512)	962,934	(242,600)	962,934
Other comprehensive income for the year		(248,723)	962,934	(242,600)	962,934
Total comprehensive income for the year		14,342,992	12,469,955	14,331,442	12,530,735

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 2023

(Unit: Thousand Baht)

Consolidated financial statements							
	Other components of equity						
	Other comprehensive income						
	Initial capital and contributions from the government	Retained earnings		Loss on investment in equity designated at fair value through other comprehensive income	Share of other comprehensive income from investments in associates	Total other components of equity	Total equity
		Appropriated	Unappropriated				
Balance as at 1 January 2022	4,889,505	10,801	180,759,159	(1,645)	-	(1,645)	185,657,820
Profit for the year	-	-	11,507,021	-	-	-	11,507,021
Other comprehensive income for the year	-	-	963,189	(255)	-	(255)	962,934
Total comprehensive income for the year	-	-	12,470,210	(255)	-	(255)	12,469,955
Transfer unappropriated to statutory reserve - subsidiary	-	852	(852)	-	-	-	-
Adjusted remittance to the Ministry of Finance for the year 2021 (Note 23)	-	-	150	-	-	-	150
Remittance to the Ministry of Finance for the year (Note 23)	-	-	(9,355,000)	-	-	-	(9,355,000)
Balance as at 31 December 2022	4,889,505	11,653	183,873,667	(1,900)	-	(1,900)	188,772,925
Balance as at 1 January 2023	4,889,505	11,653	183,873,667	(1,900)	-	(1,900)	188,772,925
Profit for the year	-	-	14,591,715	-	-	-	14,591,715
Other comprehensive income for the year	-	-	(242,286)	(226)	(6,211)	(6,437)	(248,723)
Total comprehensive income for the year	-	-	14,349,429	(226)	(6,211)	(6,437)	14,342,992
Transfer unappropriated to statutory reserve - subsidiary	-	1,591	(1,591)	-	-	-	-
Remittance to the Ministry of Finance for the year (Note 23)	-	-	(8,146,000)	-	-	-	(8,146,000)
Balance as at 31 December 2023	4,889,505	13,244	190,075,505	(2,126)	(6,211)	(8,337)	194,969,917

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 2023

(Unit: Thousand Baht)

Separate financial statements

		Other components of equity			
		Other comprehensive income			
		Loss on investment in equity			
	Initial capital and contributions from the government	Unappropriated retained earnings	designated at fair value through other comprehensive income	Total other components of equity	Total equity
Balance as at 1 January 2022	4,889,505	180,347,905	(1,645)	(1,645)	185,235,765
Profit for the year	-	11,567,801	-	-	11,567,801
Other comprehensive income for the year	-	963,189	(255)	(255)	962,934
Total comprehensive income for the year	-	12,530,990	(255)	(255)	12,530,735
Adjusted remittance to the Ministry of Finance for the year 2021 (Note 23)	-	150	-	-	150
Remittance to the Ministry of Finance for the year (Note 23)	-	(9,355,000)	-	-	(9,355,000)
Balance as at 31 December 2022	4,889,505	183,524,045	(1,900)	(1,900)	188,411,650
Balance as at 1 January 2023	4,889,505	183,524,045	(1,900)	(1,900)	188,411,650
Profit for the year	-	14,574,042	-	-	14,574,042
Other comprehensive income for the year	-	(242,374)	(226)	(226)	(242,600)
Total comprehensive income for the year	-	14,331,668	(226)	(226)	14,331,442
Remittance to the Ministry of Finance for the year (Note 23)	-	(8,146,000)	-	-	(8,146,000)
Balance as at 31 December 2023	4,889,505	189,709,713	(2,126)	(2,126)	194,597,092

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 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax	14,588,243	11,507,776	14,574,042	11,567,801
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	28,274,494	26,490,604	28,265,188	26,477,196
Expected credit losses (reversal)	371,417	(683,931)	370,491	(659,858)
Loss from obsolete materials (reversal)	(9,585)	32,726	(11,270)	30,370
Amortisation of deferred revenues	(5,488,400)	(4,921,782)	(5,488,400)	(4,921,782)
Revenues from donations	(11,096)	(30,905)	(11,096)	(29,720)
Loss on sales and write-off of assets	1,130,010	1,195,932	1,129,792	1,195,473
Loss on write-off of intangible assets	11	17	11	17
Loss on write-off of materials	10,770	1,527	10,770	1,527
Loss from terminated leases	2,336	2,900	2,336	2,437
Provision for long-term employee benefits	1,529,090	1,960,793	1,528,220	1,960,010
Reversal of provisions for litigations	(96,048)	(154,700)	(96,048)	(154,700)
Impairment loss on investments in associates	17,937	-	-	-
Unrealised loss (gain) on foreign exchange	1,721	(4,208)	1,721	(4,208)
Amortisation premium on loans	3	149	-	-
Loss on amendment of loan agreement	255	-	-	-
Revenues from receive scrap materials	(995,836)	(745,581)	(995,443)	(745,124)
Dividend income	-	-	(4,262)	(19,618)
Share of profit from investments in associates	(59,859)	(62,729)	-	-
Finance income	(1,019,705)	(496,153)	(1,010,017)	(490,527)
Finance cost	3,934,227	3,637,154	3,926,068	3,628,432
Profit from operating activities before changes in operating assets and liabilities	42,179,985	37,729,589	42,192,103	37,837,726
Operating assets (increase) decrease				
Trade and other receivables	7,925,970	(15,332,117)	7,762,278	(15,395,630)
Inventories	635,947	1,562,627	635,361	1,561,776
Specific-purpose deposits at financial institutions	(4,426,047)	2,894,964	(4,426,047)	2,894,964
Undue input VAT	594,347	(1,260,762)	594,129	(1,259,770)
Advance payments to suppliers	(191,113)	(46,764)	(197,143)	(81,794)
Other current assets	(172,545)	(25)	(35,478)	(5,136)
Other non-current receivables	(373,738)	(147,782)	(400,304)	(305,638)
Other non-current assets	(116,739)	(50,448)	(87,255)	(42,169)
Operating liabilities increase (decrease)				
Trade and other payables	(9,553,432)	18,116,319	(9,527,330)	18,366,870
Advance received per contract	(77,804)	327,887	(77,804)	331,337
Deposits payable	188,910	35,014	188,910	35,014
Other current liabilities	(2,345,674)	2,839,426	(2,325,793)	2,815,951
Other non-current payables	16,649	(3,113)	16,649	(3,113)
Provisions for service contracts	116,761	99,816	-	-
Construction obligations	309,209	503,186	307,475	503,186
Deferred revenues	5,340,373	4,809,159	5,342,019	4,809,159

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 2023

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Operating liabilities increase (decrease) (continued)				
Electricity usage guarantee	1,675,920	883,748	1,675,920	883,748
Sales and service guarantee	868,904	316,999	888,603	316,688
Other non-current liabilities	43,725	24,873	43,725	24,874
Cash paid for provisions for litigations	(22,060)	(5,660)	(22,060)	(5,660)
Cash paid for long-term employee benefits	(1,338,643)	(1,515,412)	(1,338,643)	(1,515,412)
Cash flows from operating activities	41,278,905	51,781,524	41,209,315	51,766,971
Cash received from interest income	1,021,955	446,531	1,012,856	440,848
Cash received from VAT refund	136,759	-	-	-
Cash paid for income tax	(13,530)	(21,161)	-	-
Net cash flows from operating activities	42,424,089	52,206,894	42,222,171	52,207,819
Cash flows from investing activities				
Cash paid for other non-current financial assets	(27,000)	-	-	-
Cash received from short-term loans to related parties	-	49,237	-	-
Cash paid for investments in subsidiary	-	-	(1,100,000)	(715,337)
Cash paid for investments in associates	(1,215,651)	(276,830)	-	-
Cash received from dividends from investments in subsidiary	-	-	4,262	19,618
Cash received from dividends from investments in associates	71,218	49,294	-	-
Cash paid for constructions in progress	(47,920,401)	(50,183,592)	(47,726,442)	(49,591,181)
Cash paid for purchase of investment properties	(28,587)	(52,612)	(28,587)	-
Cash paid for purchase of property, plant and equipment	(2,799,074)	(2,701,569)	(2,810,996)	(2,701,416)
Cash received from disposal of property, plant and equipment	141,168	155,278	141,168	155,278
Cash paid for purchase of intangible asset	(245,811)	(255,025)	(245,811)	(255,025)
Interest expense capitalised to constructions in progress	(786,250)	(504,822)	(761,034)	(489,557)
Net cash flows used in investing activities	(52,810,388)	(53,720,641)	(52,527,440)	(53,577,620)
Cash flows from financing activities				
Cash received from long-term loans	26,000,000	20,000,000	26,000,000	20,000,000
Repayment of long-term loans	(9,396,096)	(5,637,848)	(9,353,781)	(5,555,283)
Interest paid	(3,815,622)	(3,521,907)	(3,809,377)	(3,516,021)
Repayment of lease liabilities	(571,766)	(588,988)	(558,445)	(568,598)
Cash paid for remittance to the Ministry of Finance	(3,305,610)	(11,288,258)	(3,305,610)	(11,288,258)
Net cash flows from (used in) financing activities	8,910,906	(1,037,001)	8,972,787	(928,160)
Net decrease in cash and cash equivalents	(1,475,393)	(2,550,748)	(1,332,482)	(2,297,961)
Cash and cash equivalents at beginning of year	9,689,324	12,240,072	8,559,848	10,857,809
Cash and cash equivalents at end of year (Note 7)	8,213,931	9,689,324	7,227,366	8,559,848

Supplemental cash flows information

Non-cash items consist of:

Payables from purchase of property, plant and equipment	136,909	72,884	136,909	72,884
Payables from constructions in progress	2,054,125	1,074,679	1,972,861	1,006,761
Transfer constructions in progress to investment in property	-	392	-	392
Transfer constructions in progress to property, plant and equipment	47,607,123	38,610,528	47,607,123	38,610,528
Transfer constructions in progress to intangible asset	1,008,545	1,166,673	1,008,545	1,166,673
Transfer constructions in progress to other non-current receivables	425,085	455,544	-	-
Transfer invenstment property to other non-current receivables	-	101,120	-	-
Transfer investment property to property, plant and equipment	9,470	6,735	9,470	6,735
Transfer property, plant and equipment to investment properties	369	31,082	369	31,082
Transfer property, plant and equipment to intangible assets	1,206	-	1,206	-
Transfer intangible assets to inventories	-	119	-	-
Transfer right-of-use assets to other non-current receivables	-	24,881	-	-
Acquisitions of equipment under lease agreements	723,061	914,397	723,061	914,397
Received assets from donations	221,186	136,003	221,186	134,817
Interest expense capitalised	786,250	504,822	761,034	489,557

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 2023

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 province.

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 rising energy price situation

The rising energy price situation has resulted in higher commodity and energy prices.

Therefore, the cabinet approved measures to assist people who has been affected, the related measures that Provincial Electricity Authority provided are as follows:

1.3.1 Measure to reduce Ft for residential user type 1: a residential user with electricity consumption not exceeding 300 units per month for 4 months, for the monthly electricity bills from January 2023 to April 2023.

1.3.2 Measure to reduce Ft for residential user type 1: a residential user with electricity consumption not exceeding 300 units per month for 4 months, for the monthly electricity bills from May 2023 to August 2023. Additionally, measure to reduce Ft for residential user type 1: a residential user with electricity consumption not exceeding 500 units per month, amounting to Baht 150 per user before VAT, for the monthly electricity bills for May 2023.

1.3.3 Measure to reduce electricity tariff for residential user type 1: a residential user with electricity consumption not exceeding 300 units per month for 4 months, for the monthly electricity bills from January 2024 to April 2024.

According to measure No. 1.3.1, funds from the Annual Budget Expenditure Act, Budget B.E. 2566, the central fund appropriation and reserves for emergencies or necessities, and cooperation sought from a state-owned enterprise to allocate financial support in accordance with the resolution of the National Energy Policy Council dated 25 November 2022. Subsequently, Provincial Electricity Authority received financial support through another state-owned enterprise, according to the letter dated 14 November 2023. Measure No. 1.3.2, funds from the Annual Budget Expenditure Act, Budget B.E. 2566, the central fund appropriation and reserves for emergencies or necessities. Measure No. 1.3.3, source of funds is currently under submission to the Cabinet for consideration and approval regarding the utilisation of budgetary resources.

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	
			2023	2022
			(%)	(%)
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 which are effective for fiscal years beginning on or after 1 January 2023. 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 2024

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 2024. 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 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 "Advance received per contract / Deferred revenues" 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 from foreign financial institutions represent contributions 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 i.e. PEA Employee Gratuity Fund.

4.5 Investments in subsidiary, joint venture and associates

Investments in joint venture 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 and construction	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 - 30	years
Buildings and construction	1 - 3	years
Electricity generating systems	2	years
Furniture, tools and equipment	5	years
Vehicles	3 - 5	years
Intangible assets	5 - 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	
	2023	2022	2023	2022
<u>Transactions with subsidiary company</u>				
(eliminated from the consolidated financial statements)				
Sales and rendering of services	-	-	15	12
Dividend income	-	-	4	20
Construction and purchase of fixed asset	-	-	10	37
Other operating expenses	-	-	2	23
<u>Transactions with associates</u>				
Sales and rendering of services	287	166	276	110
Dividend income	71	49	-	-
Other income	3	-	3	-
Cost of electricity	636	526	636	526
Preventive, repair and maintenance, and construction expenses	54	11	46	-
Other operating expenses	6	16	6	16

As at 31 December 2023 and 2022, the balances of the accounts between Provincial Electricity Authority and those related companies are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade and other receivables - related parties (Note 8)				
Subsidiary	-	-	14	5
Associates	22	21	17	14
Total	22	21	31	19

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Advance payments to suppliers				
Subsidiary	-	-	2	-
Other current assets				
Associates	19	18	-	-
Trade and other payables - related parties (Note 20)				
Subsidiary	-	-	1	12
Associates	113	109	112	101
Total	113	109	113	113
Other current liabilities				
Associates	1	1	-	-
Construction obligations				
Subsidiary	-	-	-	1
Associates	2	-	2	-
Total	2	-	2	1
Deferred revenues				
Subsidiary	-	-	2	-
Sales and service guarantee				
Subsidiary	-	-	30	2
Associates	2	1	2	1
Total	2	1	32	3

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 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	115	125	112	122
Post-employment benefits	4	4	3	4
Total	119	129	115	126

7. Cash and cash equivalents

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash	56	53	56	53
Bank deposits - Current	8	4	2	4
Bank deposits - Saving	7,394	6,613	7,169	6,503
Bank deposits - Fixed	756	3,019	-	2,000
Total	8,214	9,689	7,227	8,560

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests between 0.15 and 1.70 percent per annum (2022: between 0.10 and 1.00 percent per annum).

8. Trade and other receivables

The balance of trade and other receivables as at 31 December 2023 and 2022, aged on the basis of due dates, can be summarised as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	2023	2022
	2023	2022
<u>Trade receivables - related parties (Note 6)</u>		
Aged on the basis of due dates		
Not yet due	22	14
Past due		
3 - 6 months	-	-
Total trade receivables - related parties	22	14
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	38,497	43,012
Past due		
Up to 3 months	7,424	7,673
3 - 6 months	770	456
6 - 12 months	867	383
Over 12 months	1,484	1,291
Total trade receivables - unrelated parties	49,042	52,815
Less: Allowance for expected credit losses	(1,748)	(1,405)
Total trade receivables - net	47,316	51,424
<u>Other receivables</u>		
Other receivables - unrelated parties	2,199	2,167
Other receivables - related parties (Note 6)	-	1
Prepaid expenses	51	29
Interest receivable	55	58
Accrued revenues from the		
Power Development Fund	4,494	4,023
Other accrued revenues - unrelated parties	375	5,059
Other accrued income - related parties (Note 6)	-	6
Total	7,174	11,343
Less: Allowance for expected credit losses	(283)	(261)
Total other receivables - net	6,891	11,082
Trade and other receivables - net	54,207	62,506

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	
	2023	2022	2023	2022
Beginning balance	1,666	2,365	1,651	2,326
Provision for expected credit losses (reversal)	371	(684)	371	(660)
Amount written off	(6)	(15)	(6)	(15)
Ending balance	2,031	1,666	2,016	1,651

The normal credit term is 10 to 30 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	
	2023	2022	2023	2022	2023	2022
Operating materials and supplies	49	46	-	-	49	46
Materials and supplies for construction and maintenance	785	563	(2)	(2)	783	561
Materials and supplies for repair	599	526	-	-	599	526
Demolition materials and supplies	571	505	(24)	(11)	547	494
Materials and supplies pending for adjustments	52	76	(52)	(76)	-	-
Cars waiting for delivery	6	6	(6)	(4)	-	2
Materials and supplies in transit	15	6	-	-	15	6
Total	2,077	1,728	(84)	(93)	1,993	1,635

(Unit: Million Baht)

	Separate financial statements					
	Reduce cost to net					
	Cost		realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Operating materials and supplies	49	46	-	-	49	46
Materials and supplies for						
construction and maintenance	779	557	-	-	779	557
Materials and supplies for repair	599	526	-	-	599	526
Demolition materials and						
supplies	571	505	(24)	(11)	547	494
Materials and supplies pending						
for adjustments	52	76	(52)	(76)	-	-
Materials and supplies in transit	15	6	-	-	15	6
Total	2,065	1,716	(76)	(87)	1,989	1,629

During the year, the Group reduced cost of allowance by Baht 253 million (2022: Baht 226 million) (Provincial Electricity Authority only: Baht 251 million, 2022: Baht 224 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 262 million (2022: Baht 193 million) (Provincial Electricity Authority only: Baht 262 million, 2022: Baht 193 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	
	2023	2022
Electricity usage guarantee fund (Note 29)	26,045	24,329
Interest from electricity usage guarantee fund	5,348	4,991
Sinking fund for repayment of bonds	5,480	5,178
KFW special fund	188	187
Restricted deposits with banks	4,520	2,589
Funding under the energy conservation policy from Energy Policy and Planning Office and other government agencies	2	-
Deposits on incomes reimburse to users based on the Energy Regulatory Commission's directives	800	683
Total	42,383	37,957

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 2023 and 2022 are as follows:

	Separate financial statements			
	Paid-up capital		Shareholding percentage	
	2023	2022	2023	2022
	(Million Baht)	(Million Baht)	(%)	(%)
Non-listed company				
PEA ENCOM International				
Company Limited	5,111	4,011	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		Dividend received	
	2023	2022	2023	2022
Non-listed company				
PEA ENCOM International Company Limited	5,111	4,011	4	20

11.2 Significant changes in investment in subsidiary

On 23 June 2023, Provincial Electricity Authority paid for 110 million new shares of Baht 10 per share, totaling Baht 1,100 million. Such payment was made in accordance with the resolution of the subsidiary's Extraordinary General Meeting of Shareholders No. 1/2023 on 22 June 2023 and in alignment with the resolution approving the 2023 appropriation at the Provincial Electricity Authority Board Meeting No.3/2022 on 21 February 2022. The subsidiary registered the capital increase with the Ministry of Commerce on 25 June 2023. The shareholding percentage in the subsidiary remained unchanged.

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)

			Consolidated financial statements									
Company's name	Nature of business	Country of incorporation	Shareholding		Cost		Carrying amounts based on equity method		Allowance for impairment of investments		Carrying amounts based on equity method - Net	
			percentage									
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)								
Indirect holdings												
Solar Power (Surin 1) Company Limited	Generating electricity from solar power	Thailand	25	25	41.25	41.25	124.7	119.2	-	-	124.7	119.2
Solar Power (Surin 2) Company Limited	Generating electricity from solar power	Thailand	25	25	41.25	41.25	122.9	117.4	-	-	122.9	117.4
Solar Power (KhonKaen 10) Company Limited	Generating electricity from solar power	Thailand	25	25	41.25	41.25	121.2	118.3	-	-	121.2	118.3
Solar Power (Loei 2) Company Limited	Generating electricity from solar power	Thailand	25	25	41.25	41.25	121.6	118.3	-	-	121.6	118.3
Pracharath Biomass Narathiwat Company Limited	Generating electricity from biomass	Thailand	-	40	-	2.4	-	2.2	-	(2.2)	-	-
Pracharath Biomass Maelan Company Limited	Generating electricity from biomass	Thailand	40	40	57.80	57.8	48.0	54.4	-	-	48.0	54.4

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements									
			Shareholding		Cost		Carrying amounts based on equity method		Allowance for impairment of investments		Carrying amounts based on equity method - Net	
			percentage									
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)								
Indirect holdings (continued)												
Pracharath Biomass Bannangsata Company Limited	Generating electricity from biomass	Thailand	40	40	61.6	61.6	48.5	57.2	-	-	48.5	57.2
Thai Serm Suk Energy Company Limited	Generating electricity from biomass	Thailand	25	25	25.0	25.0	27.7	26.1	-	-	27.7	26.1
Thai Digital Energy Development Company Limited	Develop integrated digital energy products and services	Thailand	25	25	50.0	50.0	53.1	50.9	-	-	53.1	50.9
Set Energy Company Limited	Develop and invest in smart power grids	Thailand	25	23.775	861.4	808.6	835.4	789.4	-	-	835.4	789.4
Encom Waste To Energy (Phranakhon Si Ayutthaya) Company Limited	Generating electricity from refuse derived fuel	Thailand	25	25	20.6	20.6	18.0	18.2	(18.0)	-	-	18.2
Salo Tech (Thailand) Company Limited	Generating and distribution of solar panels	Thailand	25	25	69.3	62.0	56.7	56.8	-	-	56.7	56.8
Siam Electrail Company Limited	Develop electrical systems to support high-speed rail business	Thailand	25	25	3.1	3.1	1.3	-	-	-	1.3	-

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements									
			Shareholding		Cost		Carrying amounts based on equity method		Allowance for impairment of investments		Carrying amounts based on equity method - Net	
			percentage									
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)								
Indirect holdings (continued)												
R E N Korat Energy Company Limited	Generating electricity from combined heat energy	Thailand	25	25	205.5	150.0	179.2	135.9	-	-	179.2	135.9
PEA Intelligent Technology Company Limited	Provide and sold electronic and smart devices	Thailand	25	25	1.5	1.5	1.7	1.9	-	-	1.7	1.9
THAI ENCOM Company Limited	Provide setting up a system for data analysis and research.	Thailand	25	25	6.3	6.3	5.3	5.7	-	-	5.3	5.7
PEA Encom Smart Solution Company Limited	Full services related to a solar cell system	Thailand	25	25	2.5	2.5	4.3	3.1	-	-	4.3	3.1
Encom Sharge Utility Services Company Limited	Provide power distribution grid services for electric vehicles	Thailand	25	25	5.5	5.5	11.6	5.3	-	-	11.6	5.3
B. Grimm Power (Laem Chabang) 1 Company Limited	Electricity generation by combined heat and power	Thailand	25	-	1,100.0	-	1,095.0	-	-	-	1,095.0	-
					<u>2,635.1</u>	<u>1,421.9</u>	<u>2,876.2</u>	<u>1,680.3</u>	<u>(18.0)</u>	<u>(2.2)</u>	<u>2,858.2</u>	<u>1,678.1</u>

12.2 Share of comprehensive income and dividend received

During the years ended 31 December 2023 and 2022, 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		Share of other comprehensive income from investments in associates		Dividend received by subsidiary*	
	2023	2022	2023	2022	2023	2022
Solar Power (Surin 1) Company Limited	24.1	23.7	-	-	18.6	14.6
Solar Power (Surin 2) Company Limited	24.3	23.2	-	-	18.8	13.7
Solar Power (KhonKaen 10) Company Limited	21.4	20.6	-	-	18.5	11.5
Solar Power (Loei 2) Company Limited	18.5	18.0	-	-	15.2	9.4
Pracharath Biomass Narathiwat Company Limited	-	-	-	-	-	-
Pracharath Biomass Maelan Company Limited	(6.4)	(1.3)	-	-	-	-
Pracharath Biomass Bannangsata Company Limited	(8.7)	(1.6)	-	-	-	-
Thai Serm Suk Energy Company Limited	1.6	2.1	-	-	-	-
Thai Digital Energy Development Company Limited	2.2	1.4	-	-	-	-
Set Energy Company Limited	(6.8)	(6.4)	-	-	-	-
Encom Waste To Energy (Phranakhon Si Ayutthaya) Company Limited	(0.2)	(1.1)	-	-	-	-
Salo Tech (Thailand) Company Limited	(7.4)	(3.8)	-	-	-	-
Siam Electrail Company Limited	1.3	(2.7)	-	-	-	-
R E N Korat Energy Company Limited	(12.2)	(9.5)	-	-	-	-
PEA Intelligent Technology Company Limited	(0.1)	0.4	-	-	0.1	-
THAI ENCOM Company Limited	(0.4)	(0.6)	-	-	-	-
PEA Encom Smart Solution Company Limited	1.2	0.5	-	-	-	-
Encom Sharge Utility Services Company Limited	6.3	(0.2)	-	-	-	-
B. Grimm Power (Laem Chabang) 1 Company Limited	1.2	-	(6.2)	-	-	-
Total	59.9	62.7	(6.2)	-	71.2	49.2

* Dividend received by the subsidiary presented in the subsidiary's separate financial statements.

12.3 Significant changes in investments in associates

PEA ENCOM Smart Solution Company Limited

On 19 January 2023, PEA Encom Smart Solution Company Limited called for payment of shares in proportion to its existing shareholding in accordance with the resolution approving the capital increase from Baht 10 million, comprising 1 million shares with a par value of Baht 10 per share, to Baht 20 million, comprising 1 million shares with a par value of Baht 20 per share. On 31 January 2023, the subsidiary made payment for the new shares in proportion to its existing shareholding, totaling Baht 2.5 million, comprising 0.25 million shares with a par value of Baht 10 per share.

On 3 March 2023, the subsidiary received a refund of the full amount of the aforementioned payment for new shares because PEA Encom Smart Solution Company Limited canceled the capital increase.

R E N Korat Energy Company Limited

On 6 February 2023, R E N Korat Energy Company Limited called for payment of shares in proportion to its existing shareholding, in accordance with the resolution approving the capital increase on 13 December 2022, 20 million shares with par value of Baht 10 per share and it called for payment of shares at the rate of Baht 5 per share. On 24 February 2023, the subsidiary made payment for the shares in proportion to its existing shareholding, totaling Baht 25 million, comprising 5 million shares with a par value of Baht 5 per share.

On 4 July 2023, R E N Korat Energy Company Limited passed resolutions to approve the capital increase to Baht 122 million, comprising 12.2 million shares with a par value of Baht 10 per share. On 14 July 2023, the subsidiary made payment for the shares in proportion to its existing shareholding, totaling Baht 30.5 million, comprising 3.05 million shares with a par value of Baht 10 per share.

Set Energy Company Limited

On 20 February 2023, Set Energy Company Limited called for the remaining payment of 2.153 million shares with a par value of Baht 24.5 per share, totaling Baht 52.8 million. On 27 February 2023, the subsidiary made payment for the shares. The shareholding percentage in associate has changed from 23.775 percent to 25 percent.

Encom Waste To Energy (Phranakhon Si Ayutthaya) Company Limited

On 21 March 2023, the subsidiary's Board of Directors meeting No.3/2023 acknowledged significant uncertainty regarding the situation of requesting to extend the deadline for introducing electricity into the SCOD of the power purchase agreement of ENCOM West Two Energy (Phranakhon Si Ayutthaya) Company Limited. This is expected to impact the future business operations of the associated company. Consequently, the subsidiary determined to record a loss from impairment of investment in the associated company in the subsidiary's statement of comprehensive income for the year ended 31 December 2023, totaling Baht 18 million.

B. Grimm Power (Laem Chabang) 1 Company Limited

On 3 August 2023, the subsidiary made payment for the purchase of ordinary shares of B.Grimm Power (Laem Chabang) 1 Company Limited ("BPLC1"), following the resolution of the subsidiary's Board of Directors meeting on 18 April 2023 approving the investment in B.Grimm Power (Laem Chabang) 1 Company Limited, which operates a 140-megawatt power plant, by 37.25 million shares at of Baht 29.53 per share, totaling Baht 1,100 million. This amount is calculated as 25 percent of the total number of ordinary shares of BPLC1. As a result of the purchase of such shares, BPLC1 attains the status of an associated company of the subsidiary. BPLC1's 37.25 million shares owned by the subsidiary are pledged with the bank to guarantee credit facilities of BPLC1.

The subsidiary recognised net asset acquired based on its investment proportion as at the share acquisition date as follows:

	(Unit: Million Baht)
	Consolidated financial statements
Consideration paid for acquisition	1,100
Fair value of net identifiable assets based on acquisition proportion	(519)
Fair value of identifiable intangible assets - the power purchase agreement and others net deferred tax liabilities based on acquisition proportion	581

The subsidiary has amortised the fair value of identifiable intangible assets - the power purchase agreement, in accordance with the period of the power plant assets and power purchase agreement related to BPLC1 and recognised it as part of the share of profits (losses) from the investment in BPLC1 in the subsidiary's statement of comprehensive income.

Salo Tech (Thailand) Company Limited

On 26 October 2023, Salo Tech (Thailand) Company Limited called for payment of shares in proportion to the existing shareholding, in accordance with the resolution approving the capital increase on 19 October 2023 of Euro 0.35 million, or Baht 12 million, comprising 0.12 million ordinary shares with a value of Baht 100 per share, and called for payment of the existing shares to the full value of the shares of Euro 0.35 million, or Baht 12 million. The subsidiary paid for the shares in proportion to its existing shareholding, with the total payment of Euro 0.175, or Baht 7.3 million, on 8 November 2023.

Pracharath Biomass Narathiwat Company Limited

On 2 October 2023, the Extraordinary General Meeting of Shareholders of Pracharat Biomass Narathiwat Company Limited No. 1/2023 resolved to dissolve the business due to land problems and the inability to continue the project. The dissolution was registered with the Department of Business Development, Ministry of Commerce on 12 October 2023. The liquidation process was completed on 19 December 2023. Pracharat Biomass Narathiwat Company Limited paid for the paid the capital returned on 25 December 2023 to the subsidiary, totaling Baht 0.7 million.

12.4 Dividend received by subsidiary from associates after the reporting period

On 15 March 2024, the Board of Directors' Meeting No.1/2024 of Solar Power (Surin 1) Company Limited passed a resolution to approve a dividend payment from operating results for the fourth quarter of 2023 at the rate of Baht 2.04 per share, totaling Baht 33.7 million, representing the subsidiary's share of Baht 8.4 million. The dividend is scheduled to be paid on 27 March 2024.

On 15 March 2024, the Board of Directors' Meeting No.1/2024 of Solar Power (Surin 2) Company Limited passed a resolution to approve a dividend payment from operating results for the fourth quarter of 2023 at the rate of Baht 2.06 per share, totaling Baht 34 million, representing the subsidiary's share of Baht 8.5 million. The dividend is scheduled to be paid on 27 March 2024.

On 15 March 2024, the Board of Directors' Meeting No.1/2024 of Solar Power (Khon Kaen 10) Company Limited passed a resolution to approve a dividend payment from operating results for the fourth quarter of 2023 at the rate of Baht 1.79 per share, totaling Baht 29.5 million, representing the subsidiary's share of Baht 7.4 million. The dividend is scheduled to be paid on 27 March 2024.

On 15 March 2024, the Board of Directors' Meeting No.1/2024 of Solar Power (Loei 2) Company Limited passed a resolution to approve a dividend payment from operating results for the fourth quarter of 2023 at the rate of Baht 1.65 per share, totaling Baht 27.2 million, representing the subsidiary's share of Baht 6.8 million. The dividend is scheduled to be paid on 27 March 2024.

13. Investments in joint venture

13.1 Details of investments in joint venture

Investments in joint venture represent investments in entities which are jointly controlled by the subsidiary of Provincial Electricity Authority and other companies as at 31 December 2023 and 2022. 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	
							2023	2022
			2023	2022	2023	2022	2023	2022
			(%)	(%)				
Indirectly owned								
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 years ended 31 December 2023 and 2022, 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	
	2023	2022	2023	2022
<u>Equity instruments designated at FVOCI</u>				
Listed company equity investment				
WP Energy Public Company Limited	1	2	1	2
Non-listed company equity investment				
B.Grimm Power (AIE-MTP) Company Limited	282	255	-	-
Total	283	257	1	2

On 7 August 2023, B.Grimm Power (AIE-MTP) Company Limited called for payment of shares in proportion to its existing shareholding in accordance with the resolution approving the capital increase of Baht 540 million, comprising 54 million shares with a par value of Baht 10 per share. The payment for each share was called at the par value of Baht 10. On 9 August 2023, the subsidiary made payment for the shares in proportion to its existing shareholding, totaling Baht 27 million, comprising 2.7 million shares with a par value of Baht 10 each.

15. Other non-current receivables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Installment receivables	25	48	25	43
Lease receivables	67	101	-	-
Receivables under finance leases	2,436	1,580	720	302
Total	2,528	1,729	745	345

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 2022	37,118	4,551	41,669
Acquisition - at cost	40,249	7,036	47,285
Transfer out	(33,558)	(6,675)	(40,233)
	43,809	4,912	48,721
Inventories			17,908
Work in progress			2
As at 31 December 2022			66,631
As at 1 January 2023	43,809	4,912	48,721
Acquisition - at cost	43,848	8,612	52,460
Transfer out	(41,231)	(7,810)	(49,041)
	46,426	5,714	52,140
Inventories			15,473
Work in progress			2
As at 31 December 2023			67,615

(Unit: Million Baht)

Separate financial statements			
	Provincial Electricity Authority's capital budget	Partially funded by electricity users	Total
As at 1 January 2022	36,451	4,551	41,002
Acquisition - at cost	39,582	7,036	46,618
Transfer out	(33,102)	(6,675)	(39,777)
	42,931	4,912	47,843
Inventories			17,908
Work in progress			2
As at 31 December 2022			65,753
As at 1 January 2023	42,931	4,912	47,843
Acquisition - at cost	43,604	8,612	52,216
Transfer out	(40,806)	(7,810)	(48,616)
	45,729	5,714	51,443
Inventories			15,473
Work in progress			2
As at 31 December 2023			66,918

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.

The Group 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 1.33 to 4.85 percent per annum (2022: 1.33 to 4.90 percent per annum). Interest expenses on loans for the year ended 31 December 2023 amounting to Baht 4,633 million (2022: Baht 4,075 million) (Provincial Electricity Authority only: Baht 4,602 million, 2022: Baht 4,054 million) are capitalised as part of the cost of constructions in progress amounting to Baht 786 million (2022: Baht 505 million) (Provincial Electricity Authority only: Baht 761 million, 2022: Baht 490 million) and recognised as expenses in profit or loss amounting to Baht 3,847 million (2022: Baht 3,570 million) (Provincial Electricity Authority only: Baht 3,841 million, 2022: Baht 3,564 million).

17. Investment properties

The net book value of investment properties as at 31 December 2023 and 2022 is presented below.

	(Unit: Million Baht)		
	Consolidated and separate financial statements		
	Land and land improvements	Building and building improvements	Total
As at 31 December 2022			
Cost	141	476	617
Less: Accumulated depreciation	-	(155)	(155)
Net book value	141	321	462
As at 31 December 2023			
Cost	160	479	639
Less: Accumulated depreciation	-	(171)	(171)
Net book value	160	308	468

A reconciliation of the net book value of investment properties for the years 2023 and 2022 is presented below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value at beginning of year	462	501	462	452
Acquisition - at cost	28	52	28	-
Transfer	(9)	(76)	(9)	25
Depreciation for the year	(13)	(15)	(13)	(15)
Net book value at end of year	468	462	468	462

Provincial Electricity Authority had rental revenue from investment properties for the year ended 31 December 2023 of Baht 23 million (2022: Baht 22 million). As at 31 December 2023, the cost value of land for lease is Baht 42 million (2022: Baht 42 million) and the cost value of building for lease is Baht 479 million (2022: Baht 476 million).

The additional information of the investment properties as at 31 December 2023 and 2022 stated below:

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	2023	2022
The fair value of land and land improvements	556	558
The fair value of building and building improvements	170	172
Total	726	730

The fair value has been determined based on valuation announced by the Treasury Department.

18. Property, plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements						Total
	Land and land improvements	Buildings and construction	Electricity generating systems	Electricity distributing systems	Furniture, tools and equipment	Vehicles	
Cost:							
1 January 2022	19,163	21,661	3,105	553,517	29,676	12,949	640,071
Additions	580	119	52	3	1,138	858	2,750
Received from donations	25	5	-	105	-	-	135
Transfer from construction in progress	375	659	171	35,607	1,799	-	38,611
Transfer	(18)	154	7	(107)	(56)	(5)	(25)
Disposals	(13)	(93)	(26)	(6,383)	(489)	(370)	(7,374)
31 December 2022	20,112	22,505	3,309	582,742	32,068	13,432	674,168
Additions	338	48	4	-	1,011	1,462	2,863
Received from donations	3	-	-	210	8	-	221
Transfer from construction in progress	691	2,267	84	42,855	1,710	-	47,607
Transfer	10	4	25	(232)	(34)	(1)	(228)
Disposals	(11)	(63)	(4)	(6,714)	(743)	(261)	(7,796)
31 December 2023	21,143	24,761	3,418	618,861	34,020	14,632	716,835
Accumulated depreciation:							
1 January 2022	1,973	8,142	1,590	284,769	18,496	8,833	323,803
Depreciation for the year	170	662	125	21,147	2,193	672	24,969
Transfer	1	81	3	(24)	(61)	-	-
Depreciation on disposals	(8)	(71)	(26)	(5,038)	(509)	(370)	(6,022)
31 December 2022	2,136	8,814	1,692	300,854	20,119	9,135	342,750
Depreciation for the year	191	731	129	22,390	2,375	739	26,555
Transfer	4	11	11	(213)	(48)	(1)	(236)
Depreciation on disposals	(6)	(41)	(10)	(5,471)	(737)	(260)	(6,525)
31 December 2023	2,325	9,515	1,822	317,560	21,709	9,613	362,544
Net book value:							
31 December 2022	17,976	13,691	1,617	281,888	11,949	4,297	331,418
31 December 2023	18,818	15,246	1,596	301,301	12,311	5,019	354,291
Depreciation for the year							
2022 (Baht 288 million included in construction in progress cost, and the balance in statement of profit or loss)							24,681
2023 (Baht 328 million included in construction in progress cost, and the balance in statement of profit or loss)							26,227

(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	
Cost:							
1 January 2022	19,163	21,660	3,105	553,528	29,667	12,947	640,070
Additions	580	119	52	6	1,134	858	2,749
Asset received from donations	25	5	-	105	-	-	135
Transfer from construction in progress	375	659	171	35,607	1,799	-	38,611
Transfer	(18)	154	7	(107)	(56)	(5)	(25)
Disposals	(13)	(93)	(26)	(6,383)	(489)	(370)	(7,374)
31 December 2022	20,112	22,504	3,309	582,756	32,055	13,430	674,166
Additions	338	47	5	3	1,020	1,462	2,875
Asset received from donations	3	-	-	210	8	-	221
Transfer from construction in progress	691	2,267	84	42,855	1,710	-	47,607
Transfer	10	4	25	(232)	(34)	(1)	(228)
Disposals	(11)	(63)	(4)	(6,714)	(743)	(260)	(7,795)
31 December 2023	21,143	24,759	3,419	618,878	34,016	14,631	716,846
Accumulated depreciation:							
1 January 2022	1,973	8,142	1,590	284,767	18,491	8,833	323,796
Depreciation for the year	170	662	125	21,146	2,191	672	24,966
Transfer	1	81	3	(24)	(61)	-	-
Depreciation on disposals	(8)	(71)	(26)	(5,038)	(509)	(370)	(6,022)
31 December 2022	2,136	8,814	1,692	300,851	20,112	9,135	342,740
Depreciation for the year	191	731	129	22,390	2,374	738	26,553
Transfer	4	11	11	(213)	(48)	(1)	(236)
Depreciation on disposals	(6)	(41)	(10)	(5,471)	(737)	(260)	(6,525)
31 December 2023	2,325	9,515	1,822	317,557	21,701	9,612	362,532
Net book value:							
31 December 2022	17,976	13,690	1,617	281,905	11,943	4,295	331,426
31 December 2023	18,818	15,244	1,597	301,321	12,315	5,019	354,314
Depreciation for the year							
2022 (Baht 288 million included in construction in progress cost, and the balance in statement of profit or loss)							24,678
2023 (Baht 328 million included in construction in progress cost, and the balance in statement of profit or loss)							26,225

As at 31 December 2023, 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 124,955 million (2022: Baht 114,096 million) (Provincial Electricity Authority only: Baht 124,951 million, 2022: Baht 114,093 million).

19. Intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 is presented below.

(Unit: Million Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software licenses	Computer software	Total	Computer software licenses	Computer software	Total
As at 31 December 2022						
Cost	5,771	3,069	8,840	5,765	3,069	8,834
Less: Accumulated amortisation	(4,440)	(1,411)	(5,851)	(4,438)	(1,411)	(5,849)
Net book value	1,331	1,658	2,989	1,327	1,658	2,985
As at 31 December 2023						
Cost	6,738	3,486	10,224	6,733	3,486	10,219
Less: Accumulated amortisation	(5,120)	(2,072)	(7,192)	(5,117)	(2,072)	(7,189)
Net book value	1,618	1,414	3,032	1,616	1,414	3,030

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 is presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Net book value at beginning of year	2,989	2,591	2,985	2,587
Acquisition - cost	246	256	246	255
Transfers from construction in progress	1,009	1,166	1,009	1,166
Transfer	1	-	1	-
Amortisation for the year	(1,213)	(1,024)	(1,211)	(1,023)
Net book value at end of year	3,032	2,989	3,030	2,985

20. Trade and other payables

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade payables - unrelated parties	50,880	61,180	50,794	61,099
Trade payables - related parties (Note 6)	109	109	110	101
Other payables - unrelated parties	2,845	1,431	2,840	1,421
Other payables - related parties (Note 6)	3	-	3	9
Accrued interest expenses	1,012	983	1,012	983
Accrued expenses - unrelated parties	2,933	2,740	2,904	2,615
Accrued expenses - related parties (Note 6)	1	-	-	3
Unearned revenues	334	148	244	148
Total trade and other payables	58,117	66,591	57,907	66,379

21. Long-term loans

(Unit: Million Baht)						
	Interest rate (% per annum)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2023	2022	2023	2022
<u>Domestic long-term loans</u>						
The Ministry of Finance	No interest charge	1988 - 2031	99	114	99	114
Bonds	1.33 - 4.85	2023 - 2042	149,716	138,514	149,716	138,514
Financial institutions	2.1106 - 3.0929	2022 - 2031	9,407	3,949	8,500	3,000
<u>Foreign long-term loans</u>						
Financial institutions	8.00*	2007 - 2023	-	36	-	36
Total			159,222	142,613	158,315	141,664
Less: Current portion			(11,578)	(9,451)	(11,516)	(9,352)
Long-term loans, net of current portion			147,644	133,162	146,799	132,312

* 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 2023 and 2022 summarised as follows:

(Unit: Million Baht)

Consolidated financial statements						
2023						
	Balance as at	Additions	Decreases	Unrealised	Premium	Balance as at
	1 January 2023	during year	during year	loss on foreign	amortise	31 December 2023
				exchange		
<u>Domestic long-term loans</u>						
The Ministry of Finance	114	-	(18)	2	1	99
Bonds	138,514	18,500	(7,300)	-	2	149,716
Financial institutions	3,949	7,500	(2,042)	-	-	9,407
<u>Foreign long-term loans</u>						
Financial institutions	36	-	(36)	-	-	-
Total	142,613	26,000	(9,396)	2	3	159,222

(Unit: Million Baht)

Consolidated financial statements						
2022						
	Balance as at	Additions	Decreases	Unrealised	Premium	Balance as at
	1 January 2022	during year	during year	gain on foreign	amortise	31 December 2022
				exchange		
<u>Domestic long-term loans</u>						
The Ministry of Finance	133	-	(18)	(2)	1	114
Bonds	127,013	17,000	(5,500)	-	1	138,514
Financial institutions	1,031	3,000	(83)	-	1	3,949
<u>Foreign long-term loans</u>						
Financial institutions	75	-	(37)	(2)	-	36
Total	128,252	20,000	(5,638)	(4)	3	142,613

(Unit: Million Baht)

Separate financial statements						
2023						
	Balance as at	Additions	Decreases	Unrealised	Premium	Balance as at
	1 January 2023	during year	during year	loss on foreign	amortise	31 December 2023
				exchange		
<u>Domestic long-term loans</u>						
The Ministry of Finance	114	-	(18)	2	1	99
Bonds	138,514	18,500	(7,300)	-	2	149,716
Financial institutions	3,000	7,500	(2,000)	-	-	8,500
<u>Foreign long-term loans</u>						
Financial institutions	36	-	(36)	-	-	-
Total	141,664	26,000	(9,354)	2	3	158,315

(Unit: Million Baht)

Separate financial statements						
2022						
	Balance as at	Additions	Decreases	Unrealised	Premium	Balance as at
	1 January 2022	during year	during year	gain on foreign	amortise	31 December 2022
				exchange		
<u>Domestic long-term loans</u>						
The Ministry of Finance	133	-	(18)	(2)	1	114
Bonds	127,013	17,000	(5,500)	-	1	138,514
Financial institutions	-	3,000	-	-	-	3,000
<u>Foreign long-term loans</u>						
Financial institutions	75	-	(37)	(2)	-	36
Total	127,221	20,000	(5,555)	(4)	2	141,664

During the year, Provincial Electricity Authority issues PEA bonds B.E. 2566 and B.E. 2567, and enter into long-term loan agreements with financial institutions summarised as follows:

No.	Facility	Issued date	Maturity date	Interest payment	
				Interest rate	term
	(Million Baht)			(% per annum)	
No.2/2566	3,000	30 March 2023	30 March 2030	2.85	Every six months
No.3/2566	5,000	30 May 2023	30 May 2028	2.87	Every six months
No.4/2566	4,000	30 May 2023	30 May 2030	3.08	Every six months
No.5/2566	3,500	31 August 2023	31 August 2033	3.35	Every six months
No.1/2567	3,000	29 November 2023	29 November 2033	3.84	Every six months

On 30 March 2023, Provincial Electricity Authority entered into a loan agreement with a domestic bank for a credit facility of Baht 3,000 million. The loan was drawn down on 30 March 2023 in the amount of Baht 2,000 million and on 27 July 2023 in the amount of Baht 1,000 million. The interest rate is based on the six-month BIBOR plus 0.1359 percent per annum. Principal repayment is due within 2 years, and interest payments are due semi-annually, with the final payment due on 30 March 2025.

On 14 September 2023, Provincial Electricity Authority entered into loan agreements with two domestic banks. The first bank provided a credit facility of Baht 1,000 million, fully drawn down. The interest rate is based on the six-month BIBOR plus 0.061 percent per annum. Principal repayment is due within 2 years, and interest payments are due semi-annually, with the final payment due on 14 September 2025. Simultaneously, the second bank provided a credit facility of Baht 2,500 million. The loan was drawn down on 14 September 2023 in the amount of Baht 1,000 million and on 31 October 2023 in the amount of Baht 1,500 million. The interest rate is based on the six-month BIBOR plus 0.180 percent per annum. Principal repayment is due within 4 years, and interest payments are due semi-annually, with the final payment due on 14 September 2027.

On 29 November 2023, Provincial Electricity Authority entered into a loan agreement with a domestic bank for a credit facility of Baht 2,000 million. The loan was drawn down on 29 November 2023 in the amount of Baht 1,000 million and on 31 January 2024 in the amount of Baht 1,000 million. The interest rate is based on the six-month BIBOR minus 0.05 percent per annum. Principal repayment is due within 1 years, and interest payments are due semi-annually, with the final payment due on 29 November 2024.

On 20 February 2023, the subsidiary entered into an agreement to amend the conditions regarding the amount of principal repayment in each installment, as well as adjust the interest rates during various periods in accordance with the conditions specified in the agreement.

Long-term loans from foreign financial institutions of Provincial Electricity Authority are guaranteed by the Ministry of Finance.

Long-term loan from a local financial institution of a subsidiary is secured by the assets of the Solar Rooftop sales and installation project, which are presented as other non-current receivables in the statement of financial position. In addition, the loan agreement contains several covenants which, among other things, require the subsidiary to maintain financial ratio at the rate prescribed in the agreement.

As at 31 December 2023, the long-term credit facilities and other credit facilities of the Group which have not yet been drawn down amounted to Baht 4,800 million (2022: Baht 3,800 million) (Provincial Electricity Authority only: Baht 4,000 million, 2022: Baht 3,000 million).

22. Leases

22.1 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 - 30 years.

22.1.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements						Total
	Land and land improvements	Buildings and construction	Electricity generating systems	Furniture, tools and equipment	Vehicles	Intangible assets	
As at 1 January 2022	135	91	22	4	1,641	9	1,902
Additions	35	51	34	-	794	-	914
Decrease from contract termination	-	(2)	-	-	-	-	(2)
Depreciation for the year	(56)	(68)	(24)	(3)	(618)	(2)	(771)
Transfer out	(25)	-	-	-	-	-	(25)
As at 31 December 2022	89	72	32	1	1,817	7	2,018
Additions	55	60	-	4	600	4	723
Decrease from contract termination	-	(2)	-	-	-	-	(2)
Depreciation for the year	(58)	(62)	(21)	(1)	(676)	(3)	(821)
As at 31 December 2023	86	68	11	4	1,741	8	1,918

(Unit: Million Baht)

	Separate financial statements						
	Land and land improvements	Buildings and construction	Electricity generating systems	Furniture, tools and equipment	Vehicles	Intangible assets	Total
As at 1 January 2022	106	76	22	4	1,637	9	1,854
Additions	35	51	34	-	794	-	914
Decrease from contract termination	-	(2)	-	-	-	-	(2)
Depreciation for the year	(52)	(63)	(24)	(3)	(617)	(2)	(761)
As at 31 December 2022	89	62	32	1	1,814	7	2,005
Additions	55	60	-	4	600	4	723
Depreciation from contract Termination	-	(2)	-	-	-	-	(2)
Depreciation for the year	(58)	(58)	(21)	(1)	(675)	(3)	(816)
As at 31 December 2023	86	62	11	4	1,739	8	1,910

22.1.2 Lease liabilities

	(Unit: Million Baht)	
	Consolidated financial statements	
	2023	2022
Lease payments	3,398	2,865
Less: Deferred interest expenses	(656)	(359)
Total	2,742	2,506
Less: Portion due within one year	(908)	(914)
Lease liabilities - net of current portion	1,834	1,592

	(Unit: Million Baht)	
	Separate financial statements	
	2023	2022
Lease payments	3,375	2,829
Less: Deferred interest expenses	(654)	(355)
Total	2,721	2,474
Less: Portion due within one year	(896)	(908)
Lease liabilities - net of current portion	1,825	1,566

Movements of the lease liabilities account during the years ended 31 December 2023 and 2022 are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Balance at beginning of year	2,506	2,116	2,474	2,066
Additions	723	914	723	914
Accretion of interest	85	65	83	62
Repayments	(572)	(589)	(559)	(568)
Balance at end of year	2,742	2,506	2,721	2,474

A maturity analysis of lease payments is disclosed in Note 38.1 under the liquidity risk.

22.1.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	821	771	816	761
Interest expense on lease liabilities	85	65	83	62
Expense relating to short-term leases	245	158	245	158
Expense relating to leases of low-value assets	2	2	2	2
Expense relating to variable lease payments that do not depend on an index or a rate	28	27	28	27

22.1.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 847 million (2022: Baht 776 million) (Provincial Electricity Authority only: Baht 834 million, 2022: Baht 755 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.

22.2 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 10 - 25 years.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Undiscounted lease payments receivable under finance leases				
Within 1 year	234	142	62	26
Over 1 and up to 5 years	845	537	229	101
Over 5 years	2,655	1,633	1,012	441
Total	3,734	2,312	1,303	568
Less: Deferred interest income	(1,165)	(647)	(560)	(258)
Net investment in the finance leases	2,569	1,665	743	310

23. Accrued remittance to the Ministry of Finance

Movements of accrued remittance to the Ministry of Finance for the years ended 31 December 2023 and 2022 summarised as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2023	2022
Balance at beginning of year	10,229	12,163
Adjustment for remittance to the Ministry of Finance for the year 2021	-	(1)
Reserve for remittance to public revenues	8,146	9,355
Remit to public revenues during the year	(3,305)	(11,288)
Balance at end of year	15,070	10,229

The Ministry of Finance requires that Provincial Electricity Authority allocate net profit to the Ministry of Finance as a remittance of state revenue, either in accordance with the specified rate or at the remittance amount specified in the Annual Budget Appropriation Act of the Budget Bureau, the Office of the Prime Minister.

Provincial Electricity Authority has to reserve for remittance to state revenue as considering the estimated annual income for the fiscal year.

On 12 July 2023, the State Enterprise Policy Office approved that Provincial Electricity Authority is to remit the state revenue for the year 2022 of Baht 9,355 million to the Ministry of Finance. Provincial Electricity Authority is to remit the remaining amount after deducting of the state revenue for the half-year 2022, which was Baht 3,637 million and was already remitted in 2022. During the year 2023, Provincial Electricity Authority already remitted Baht 2,838 million to the Ministry of Finance, with the remaining amount of Baht 2,880 million to be remitted within the fiscal year 2024.

On 20 October 2023, the State Enterprise Policy Office approved that Provincial Electricity Authority is to remit the state revenue for the half-year 2023 of Baht 467 million. During the year 2023, Provincial Electricity Authority already remitted the specified amount to the Ministry of Finance.

24. Deposits payable

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2023	2022
Pending repayment electricity usage guarantee	303	127
Other deposits payable	268	255
Total deposits payable	571	382

25. Other current liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Retentions and deposits	541	2,670	534	2,644
Undue output tax	3,171	3,419	3,168	3,414
Suspense accounts	176	145	176	145
Total other current liabilities	3,888	6,234	3,878	6,203

26. Provisions for litigations

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2023	2022
Balance at beginning of year	268	429
Increase	8	15
Decrease	(126)	(176)
Balance at end of year	150	268

As at 31 December 2023, 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 62 cases (2022: 74 cases), consisting of 6 cases in which full compensation of the claims is expected to be set up and 56 cases in which the compensation is expected to be less than the claims.

During the current year, Provincial Electricity Authority concluded court proceedings by for 23 cases, totaling Baht 86 million. Among these cases, 15 cases resulted in compensatory damages of Baht 22 million. In addition, Provincial Electricity Authority reversed provisions for 35 cases, totaling Baht 40 million, comprising 12 cases where the Court of First Instance ordered payment less than the plaintiff's claimed amount, totaling Baht 32 million, and 23 cases where Provincial Electricity Authority reassessed the provision, totaling Baht 8 million. Currently, the cases are still under consideration by the Court of First Instance.

27. Construction obligations

As at 31 December 2023, The group had construction obligations of Baht 6,811 million (2022: Baht 6,502 million) (Provincial Electricity Authority only: Baht 6,811 million, 2022: Baht 6,503 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.

28. Deferred revenue

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statement	
	2023	2022	2023	2022
Contributions for construction	54,538	54,689	54,540	54,689
Deferred revenues from transferring of assets	1,322	1,252	1,322	1,252
Deferred revenues from rental	293	307	293	307
Deferred revenues from services	113	122	113	122
Deferred revenues from energy management	265	98	265	98
Deferred revenues from donation	185	185	185	185
Total deferred revenue	<u>56,716</u>	<u>56,653</u>	<u>56,718</u>	<u>56,653</u>

29. Electricity usage guarantee

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2023	2022
Specific-purpose deposits at financial institutions		
(Note 10)	26,045	24,329
Suspense saving accounts	99	139
Total deferred revenue	26,144	24,468

Movements of Electricity usage guarantee for the years ended 31 December 2023 and 2022 are summarised as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	2023	2022
Balance at beginning of year	24,468	23,585
Increase from electricity usage guarantee	3,766	3,055
Decrease in refunding of electricity usage guarantee	(50)	(67)
Decrease in offset with unpaid electricity bills	(375)	(402)
Decrease in electricity usage cancellation or changing collateral from cash to bank guarantees	(1,607)	(1,656)
Transfer guarantees to income	(58)	(47)
Balance at end of year	26,144	24,468

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.

30. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2023 and 2022 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Provision for long-term post employee benefits	15,154	14,754	15,150	14,750
Provision for special post employee benefits	415	413	415	413
Provision for long service year award	599	565	599	565
Total	16,168	15,732	16,164	15,728

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

(Unit: Million Baht)

	Consolidated financial statements					
	2023			2022		
	Post-employment	Other long-term	Total	Post-employment	Other long-term	Total
	benefits	employee benefits		benefits	employee benefits	
Provision for long-term employee benefits at beginning of year	15,167	565	15,732	16,103	151	16,254
Included in profit or loss:						
Current service cost	877	46	923	1,010	17	1,027
Interest cost	394	14	408	346	3	349
Past service costs and gains or losses on settlement	175	-	175	146	(1)	145
Actuarial loss	-	22	22	-	440	440
Included in other comprehensive income:						
Actuarial loss (gain) arising from						
Demographic assumptions changes	-	-	-	(57)	-	(57)
Financial assumptions changes	108	-	108	(1,304)	-	(1,304)
Experience adjustments	134	-	134	398	-	398
Benefits paid during the year	(1,286)	(48)	(1,334)	(1,475)	(45)	(1,520)
Provision for long-term employee benefits at end of year	15,569	599	16,168	15,167	565	15,732

(Unit: Million Baht)

Separate financial statements						
	2023			2022		
	Post-employment	Other long-term	Total	Post-employment	Other long-term	Total
	benefits	employee benefits		benefits	employee benefits	
Provision for long-term employee benefits at beginning of year	15,163	565	15,728	16,101	151	16,252
Included in profit or loss:						
Current service cost	877	46	923	1,009	17	1,026
Interest cost	394	14	408	345	3	348
Past service costs and gains or losses on settlement	175	-	175	146	(1)	145
Actuarial loss	-	22	22	-	440	440
Included in other comprehensive income:						
Actuarial loss (gain) arising from						
Demographic assumptions changes	-	-	-	(57)	-	(57)
Financial assumptions changes	108	-	108	(1,304)	-	(1,304)
Experience adjustments	134	-	134	398	-	398
Benefits paid during the year	(1,286)	(48)	(1,334)	(1,475)	(45)	(1,520)
Provision for long-term employee benefits at end of year	<u>15,565</u>	<u>599</u>	<u>16,164</u>	<u>15,163</u>	<u>565</u>	<u>15,728</u>

During the year 2023, Provincial Electricity Authority has approved an amendment to change the annual cumulative vacation schedule for retired employees from 40 days to 45 days. The change is considered to be an amendment of the retirement benefit scheme and resulted in an increase of Baht 175 million in 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.

The Group expects to pay Baht 1,420 million of long-term employee benefits during the next year (2022: Baht 1,316 million) (Provincial Electricity Authority only: Baht 1,420 million, 2022: Baht 1,316 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 21.1 years (2022: 21.2 years) (Provincial Electricity Authority only: 21.1 years, 2022: 21.2 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	3.33 - 4.01	2.15 - 3.36	3.33	3.36
Inflation rate	2.00 - 3.00	2.00	2.00	2.00
Salary increase rate	7.00 - 8.00	7.00 - 8.00	7.00 - 8.00	7.00 - 8.00
Turnover rate	0.20 - 17.19	0.00 - 10.00	0.20 - 10.00	0.20 - 10.00
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 2023 and 2022 are summarised below:

(Unit: Million Baht)

		2023			
		Consolidated financial statements		Separate financial statements	
	(%)	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	1	(1,635)	1,976	(1,634)	1,975
Inflation rate	1	115	(99)	115	(99)
Salary increase rate	1	1,924	(1,625)	1,923	(1,625)
Turnover rate	20*	(114)	119	(113)	118
Mortality rate	1	82	(96)	82	(96)

* percent of assumptions

(Unit: Million Baht)

		2022			
		Consolidated financial statements		Separate financial statements	
	(%)	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate	1	(1,507)	1,809	(1,507)	1,808
Inflation rate	1	105	(91)	105	(91)
Salary increase rate	1	1,771	(1,506)	1,771	(1,506)
Turnover rate	20*	(102)	107	(102)	106
Mortality rate	1	72	(84)	72	(84)

* percent of assumptions

31. Revenue from contracts with customers

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Type of goods or service:				
Sale of electricity	660,041	578,469	660,041	578,469
Construction service income	4,489	4,422	4,406	4,014
Rendering of services	11,981	10,326	11,926	10,283
Total revenue from contracts with customers	676,511	593,217	676,373	592,766

		(Unit: Million Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2023	2022
		2023	2022
Timing of revenue recognition:			
Revenue recognised at a point in time		4,064	3,436
Revenue recognised over time		672,447	589,781
Total revenue from contracts with customers		676,511	593,217
		676,373	592,766

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 34 to the consolidated financial statements relating to the segment information:

		(Unit: Million Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2023	2022
		2023	2022
External customers		676,511	593,217
Inter-segment		27	73
		676,538	593,290
Adjustments and eliminations		(27)	(73)
Total revenue from contracts with customers		676,511	593,217
		676,373	592,766

Assistance and support in accordance with measures to relieve impacts from the rising energy prices situation

On 10 May 2022, the Cabinet passed a resolution approving budget for urgent measures to mitigate the impacts on people from the energy price situation caused by conflicts in the European region. In the meetings held on 29 March 2022, and 19 April 2022, measures to reduce Ft for residential user type 1: a residential user and type 2: a small business user (excluding government agencies and state-owned enterprises) with electricity consumption not exceeding 300 units per month for 4 months, for monthly electricity bills from May 2022 to August 2022 by expending the funds from Annual Budget Expenditure Act, Budget B.E.2565, the central fund appropriation and reserves for emergencies or necessities. Provincial Electricity Authority is eligible for a total budget of Baht 1,485 million, and fully received such amount in the year 2022.

On 13 September 2022, the Cabinet passed a resolution approving the Ministry of Energy's proposed measures to mitigate impacts on user from the high energy price situation. The measures were established to reduce Ft for residential user type 1: a residential user with electricity consumption not exceeding 500 units per month for 4 months, for the monthly electricity bills from September 2022 to December 2022. The electricity bills for September 2022 expended the funds from Annual Budget Expenditure Act, Budget B.E. 2565, the central fund appropriation and reserves for emergencies or necessities. The electricity bills from October 2022 to December 2022 expended the funds from Annual Budget Expenditure Act, Budget B.E. 2566, the central fund appropriation and reserves for emergencies or necessities. Provincial Electricity Authority has been allocated a total budget of Baht 6,346 million, whereby it received Baht 1,601 million in the year 2022 and the remaining Baht 4,745 million in January 2023.

On 7 March 2023, the Cabinet passed a resolution approving a budget for measures to mitigate the impacts on user from the high energy price situation. During the meeting held on 24 January 2023, measures were established to reduce Ft for residential user type 1: a residential user with electricity consumption not exceeding 300 units per month for 4 months, for the monthly electricity bills from January 2023 and April 2023 by expending the funds from Annual Budget Expenditure Act, Budget B.E. 2566, the central fund appropriation and reserves for emergencies or necessities. Provincial Electricity Authority is allocated a total budget of Baht 2,674 million, whereby it received Baht 2,022 million during the year 2023, and the remaining amount was received through the allocation of financial support from a state-owned enterprise, in accordance with a letter dated 14 November 2023, whereby Baht 2,680 million was received in the year 2023.

Following the Cabinet resolution approving the budget during the meeting held on 2 May 2023 and measures aimed at reducing Ft including urgent measures dated 15 May 2023, the Election Commission passed a resolution approving a budget for measures to mitigate the impacts on user from the high energy price situation. These measures were established to reduce Ft for residential user type 1: a residential user with electricity consumption not exceeding 300 units per month for 4 months, for the monthly electricity bills from May 2023 to August 2023, and measure to reduce Ft for a residential user with electricity consumption not exceeding 500 units per month, amounting to Baht 150 per user before VAT, for the monthly electricity bills for May 2023, by expending the funds from Annual Budget Expenditure Act, Budget B.E. 2566, the central fund appropriation and reserves for emergencies or necessities. Provincial Electricity Authority and other electricity authority have been allocated a total budget of Baht 10,464 million, whereby Baht 6,838 million was received in the year 2023.

Power Development Fund subsidies to support underprivileged power consumers under Section 97(1)

In accordance with the resolution of the National Energy Policy Council on 13 August 2015, Provincial Electricity Authority is required to provide electricity subsidies to non-juristic residential households with installed meters of not exceeding 5 amps and with electricity consumption not exceeding 50 units per month, for a consecutive period of not less than 3 months. The subsidies will be disbursed from the Power Development Fund under Section 97(1). For the period from January 2023 to April 2023 amounted to Baht 1,065 million (for the year ended 31 December 2022: Baht 2,430 million).

On 7 March 2023, the Energy Regulatory Commission (ERC) approved the consideration outcome for the financial position (actual values) for the year 2021, with Provincial Electricity Authority having a return of excess benefits of Baht 695 million. The accrued revenue for 2021 of the Power Development Fund subsidies to support underprivileged power consumers under Section 97(1) of Baht 593 million will be deducted. The return of the remaining benefits will be retained by Provincial Electricity Authority as a reserve until further notice by the Energy Regulatory Commission ERC.

On 9 March 2023, in accordance with the resolution of the National Energy Policy Council, Provincial Electricity Authority is required to provide electricity subsidies to non-juristic residential households with installed meters of not exceeding 5 amps and with electricity consumption not exceeding 50 units per month, for a consecutive period of not less than 3 months. Provincial Electricity Authority has conducted inspections to ensure the avoidance of duplication of rights, and eligible electricity users have duly registered as recipients of a state welfare card. For electricity bills from May 2023 onwards, the cost of subsidising underprivileged power consumers is incorporated into the revenue requirements of the electricity distribution authority, a consideration integral to assessing the financial position of Provincial Electricity Authority.

On 15 March 2024, the Energy Regulatory Commission (ERC) approved the consideration outcome for the financial position (actual values) for the year 2022, with Provincial Electricity Authority reporting revenue lower than the desired amount in relation to the expenditure of the Power Development Fund under Section 97(1) of 2022, totaling Baht 2,430 million. Moreover, the ERC approved a directive for a state-owned enterprise to return the excess benefits for 2022 (actual values) to Provincial Electricity Authority, thereby adjusting the desired revenue for the expenditure of the Power Development Fund subsidies to support underprivileged power consumers under Section 97(1) of 2022 amounting to Baht 2,430 million (accrued revenue from the Power Development Fund for 2022 of Provincial Electricity Authority).

Rendering of services

Provincial Electricity Authority has received license to operate the third type of telecommunication business No. 3n/50/003 (fiber optic) since 1 March 2007 from Office of The National Broadcasting and Telecommunications Commission, which recognised as service income. During the years ended 31 December 2023, Provincial Electricity Authority has recognised sales and service revenues amounting to Baht 142 million (2022: Baht 140 million).

Provincial Electricity Authority has received license to operate broadcasting and television business No. B1-F22051-0004-56 in providing assistance on broadcasting and television. The service includes a rental of electric pole for putting up cable line by National Broadcasting and Telecommunications Commission beginning from 16 December 2013 to 15 December 2028. During the years ended 31 December 2023, Provincial Electricity Authority has revenues on rental of electric pole for putting up cable line from Cable TVs business amounting to Baht 13 million (2022: Baht 14 million).

32. 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 amount of Baht 1,000 million per month, in accordance with the Order of the Energy Regulatory Commission No.8/2023 dated 31 January 2023 (2022: Baht 1,000 million per month in accordance with the Order of the Energy Regulatory Commission No. 28/2022 dated 24 February 2022). 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 2023, the amount that Provincial Electricity Authority disbursed from the Power Development Fund in this matter was Baht 12,000 million (2022: Bath 12,000 million).

33. Finance cost

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Interest expenses on borrowings	3,848	3,572	3,842	3,566
Interest expenses on lease liabilities	85	65	83	62
Interest expenses on liabilities under installment contract	1	-	1	-
Total	3,934	3,637	3,926	3,628

34. 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 2023 and 2022 are as follows:

													(Unit: Million Baht)	
													Consolidated	
	Northern		Northeastern		Central		Southern		Head office		Elimination		financial statement	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets														
Trade receivables	8,231	8,666	9,217	9,501	23,909	26,886	9,239	9,563	3,626	7,908	(15)	(18)	54,207	62,506
Other current assets	353	299	433	295	883	531	562	438	55,658	53,383	(2)	(1)	57,887	54,945
Property, plant and equipment	76,158	70,579	81,820	74,888	113,345	107,749	76,748	72,397	6,250	5,822	(30)	(17)	354,291	331,418
Other non-current assets	13,197	12,811	14,253	15,643	18,298	15,666	15,071	14,026	23,158	21,627	(4,898)	(3,766)	79,079	76,007
Total Assets	97,939	92,355	105,723	100,327	156,435	150,832	101,620	96,424	88,692	88,740	(4,945)	(3,802)	545,464	524,876
Liabilities and equity														
Current liabilities	81,994	75,115	96,145	88,938	(326,290)	(300,991)	44,183	39,375	183,814	183,283	(18)	(18)	79,828	85,702
Long-term loans	-	-	-	-	-	-	-	-	159,222	142,613	-	-	159,222	142,613
Other non-current liabilities	18,851	18,566	25,263	25,044	40,807	39,142	19,649	19,575	6,905	5,465	(31)	(4)	111,444	107,788
Total Liabilities	100,845	93,681	121,408	113,982	(285,483)	(261,849)	63,832	58,950	349,941	331,361	(49)	(22)	350,494	336,103
Equity	(2,906)	(1,326)	(15,685)	(13,655)	441,918	412,681	37,788	37,474	(261,249)	(242,621)	(4,896)	(3,780)	194,970	188,773
Total Liabilities and equity	97,939	92,355	105,723	100,327	156,435	150,832	101,620	96,424	88,692	88,740	(4,945)	(3,802)	545,464	524,876

Operating results information regarding operating segments as at 31 December 2023 and 2022 are as follows:

	(Unit: Million Baht)												Consolidated	
	Northern		Northeastern		Central		Southern		Head office		Eliminations		financial statement	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Statement of comprehensive income														
Sales and rendering of services	102,232	88,799	115,240	100,274	344,549	305,537	113,775	97,762	742	918	(27)	(73)	676,511	593,217
Revenue compensations	1,803	1,769	2,038	2,012	6,155	6,267	2,004	1,952	-	-	-	-	12,000	12,000
Other income	143	177	197	164	212	289	349	403	256	363	(75)	(69)	1,082	1,327
Total revenues	104,178	90,745	117,475	102,450	350,916	312,093	116,128	100,117	998	1,281	(102)	(142)	689,593	606,544
Cost of electricity	92,599	80,095	104,161	90,621	303,194	266,849	101,722	86,959	-	-	-	-	601,676	524,524
Employee compensations	3,935	3,943	4,654	4,817	4,742	4,784	3,666	3,653	3,813	3,887	(5)	(6)	20,805	21,078
Employee benefit expenses	296	379	360	455	358	470	280	359	235	298	-	-	1,529	1,961
Directors and management's benefits	5	6	7	7	6	6	7	6	90	100	-	-	115	125
Preventive, repair and maintenance, and construction expenses	1,192	1,159	1,512	1,347	2,439	2,094	1,668	1,650	1,464	1,690	(17)	(10)	8,258	7,930
Depreciation and amortisation expenses	5,659	5,307	6,175	5,732	8,341	7,815	5,995	5,767	2,104	1,870	-	-	28,274	26,491
Other operating expenses	2,004	1,189	2,526	2,280	2,531	2,144	2,271	1,964	1,777	1,622	(6)	(45)	11,103	9,154
Other expenses	8	15	94	82	57	317	156	224	75	57	-	-	390	695
Total expenses	105,698	92,093	119,489	105,341	321,668	284,479	115,765	100,582	9,558	9,524	(28)	(61)	672,150	591,958
Share of profit from investments in associates	-	-	-	-	-	-	-	-	-	-	60	63	60	63
Finance income	18	20	18	14	56	36	23	19	905	407	-	-	1,020	496
Finance cost	(11)	(10)	(11)	(9)	(15)	(13)	(13)	(13)	(3,885)	(3,592)	-	-	(3,935)	(3,637)
Profit (loss) before income tax	(1,513)	(1,338)	(2,007)	(2,886)	29,289	27,637	373	(459)	(11,540)	(11,428)	(14)	(18)	14,588	11,508
Tax income (income tax expenses)	-	-	-	-	-	-	-	-	4	(1)	-	-	4	(1)
Profit (loss) for the year	(1,513)	(1,338)	(2,007)	(2,886)	29,289	27,637	373	(459)	(11,536)	(11,429)	(14)	(18)	14,592	11,507
Other comprehensive income	-	-	-	-	-	-	-	-	(243)	963	(6)	-	(249)	963
Total comprehensive income for the year	(1,513)	(1,338)	(2,007)	(2,886)	29,289	27,637	373	(459)	(11,779)	(10,466)	(20)	(18)	14,343	12,470

Major customers

For the years 2023 and 2022, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

35. 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 - 20 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 2023 amounting to approximately Baht 1,245 million (2022: Baht 1,279 million) (Provincial Electricity Authority only: Baht 1,243 million 2022: Baht 1,277 million) were recognised as expenses.

36. Commitments and contingent liabilities

36.1 Capital commitments

As at 31 December 2023, the Group had capital commitments of approximately Baht 29,991 million (2022: Baht 30,233 million) (Provincial Electricity Authority only: Baht 29,896 million 2022: Baht 30,023 million), mainly relating to purchase materials and supplies for construction.

36.2 Lease commitments

As at 31 December 2023 and 2022, the Group has future lease payments for land, buildings, equipment 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	
	2023	2022	2023	2022
Payable:				
Within 1 year	229	245	229	245
Over 1 and up to 5 years	129	333	129	333

36.3 Significant long-term agreement commitments

As at 31 December 2023, Provincial Electricity Authority has commitment under the Power Purchase Agreement with the Very Small Power Producer (VSPP) amounting to 963 contracts (2022: 953 contracts). The performance obligations 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, adder on the purchase price of electricity and deduction of the operating fee of 2 percent (if any). The purchase prices will vary according to the contractual sales volume and the type of fuel that each VSPP has contracted with Provincial Electricity Authority.

36.4 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 less impact on the environment, and to promote society and people to have knowledge, awareness and participation in electricity use. 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.

On 29 December 2022, the Energy Regulatory Commission issued announcements regarding the contribution to the Power Development Fund for electricity distribution licensees to promote the use of renewable energy and the technology used that has less impact on the environment, and the contribution to the Power Development Fund for electricity distribution licensees to promote society and people to have knowledge, awareness and involvement in electricity use. These announcements requires that Provincial Electricity Authority make contribution to the funds at a rate of Baht 0.00 per unit of net distribution in the month in which the electricity bill is charged, effective from 1 January 2023 onwards.

During the current year, Provincial Electricity Authority recognised the transactions based on the specified rates and recorded such no expenses in profit or loss (2022: Baht 953 million).

36.5 Litigations

As at 31 December 2023, Provincial Electricity Authority was being sued in 243 cases with claims totaling Baht 20,930 million, which are under judicial proceedings. Provincial Electricity Authority expects to have full compensation of the claims for 6 cases. The remaining cases, 181 cases are not expected to the results in significant losses, and in 56 cases the compensation 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 9 cases in which Provincial Electricity Authority was accused of breaching civil contracts, with the amount in dispute totalling Baht 68 million.
2. A total of 50 cases in which Provincial Electricity Authority was accused of committing infringement or negligence that caused damage to another person, with the amount in dispute totalling Baht 256 million.
3. A total of 13 cases in which Provincial Electricity Authority is in dispute regarding employment and employee benefits, with the amount in dispute totalling Baht 51 million.
4. A total of 93 cases in which the Provincial Electricity Authority was accused of committing infringement or negligence in the use of administrative power, with the amount in dispute totalling Baht 222 million.
5. A total of 26 cases in which Provincial Electricity Authority is required to revoke the rule and administrative act, with the amount in dispute totalling Baht 230 million.
6. A total of 12 cases in which Provincial Electricity Authority was accused breaching an administrative agreement, with the amount in dispute totalling Baht 6,972 million.
7. A total of 34 cases in which Provincial Electricity Authority is in dispute with Very Small Power Producer (VSPP), with the amount in dispute totalling Baht 12,981 million.

36.6 Loan guarantee obligation

Thai Digital Energy Development Company Limited (associated company)

As of 31 December 2023, the subsidiary has a guarantee obligation related to a long-term loan obtained by Thai Digital Energy Development Company Limited from a bank. This obligation resulted from entering into a guarantee agreement with the bank, which includes a principal amount not exceeding Baht 240 million, compound interest and others, as specified in the agreements (In the event of a default, the subsidiary's liability will be calculated proportionally to its shareholding in the associated company.) The Company is required to comply with the conditions stipulated in the said guarantee agreement, including the maintenance of financial ratios. However, on 13 December 2023, the subsidiary received a notifying of waiver of non-compliance with the conditions of maintaining the financial ratio as at 31 December 2023 from the lending bank of the associated company.

R E N Korat Energy Company Limited (associated company)

On 15 September 2023, the subsidiary entered into a financial support agreement with R E N Korat Energy Co., Ltd., an associated company, whereby the subsidiary pledged ordinary shares of the associated company owned by subsidiary as collateral for long-term loans, revolving credit lines, and guarantees provided to the associated company. Additionally, the subsidiary is obligated to provide financial support in proportion to its shareholding if the associated company incurs cost overruns, up to a maximum of Baht 9.5 million. This obligation extends to covering cash deficiencies on debt reserve requirements, up to a maximum of Baht 100 million, and responding to requests from the lending bank for a guarantee, not exceeding Baht 50 million.

37. Fair value hierarchy

As at 31 December 2023 and 2022, 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			
	2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed company equity investment	1	-	-	1
Non-listed company equity investment	-	-	282	282
Assets for which fair value are disclosed				
Investment properties	-	-	726	726
Liabilities for which fair value are disclosed				
Long-term loans	-	147,548	94	147,642

	(Unit: Million Baht)			
	Consolidated financial statements			
	2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed company equity investment	2	-	-	2
Non-listed company equity investment	-	-	255	255
Assets for which fair value are disclosed				
Investment properties	-	-	730	730
Liabilities for which fair value are disclosed				
Long-term loans	-	136,220	143	136,363

(Unit: Million Baht)

Separate financial statements				
2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed company equity investment	1	-	-	1
Assets for which fair value are disclosed				
Investment properties	-	-	726	726
Liabilities for which fair value are disclosed				
Long-term loans	-	147,548	94	147,642

(Unit: Million Baht)

Separate financial statements				
2022				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed company equity investment	2	-	-	2
Assets for which fair value are disclosed				
Investment properties	-	-	730	730
Liabilities for which fair value are disclosed				
Long-term Loans	-	136,220	143	136,363

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.

38. Financial instruments

38.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivable, 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, 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, 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 2023 and 2022, 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						
	2023						
	Fixed interest rates						Effective interest rate
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	
							(% per annum)
Financial assets							
Cash and cash equivalents	756	-	-	7,394	64	8,214	0.150 - 1.700
Trade and other receivables	184	-	-	-	54,023	54,207	0.000 - 13.403
Specific-purpose deposits at financial institutions	36,859	-	-	5,524	-	42,383	0.150 - 2.825
Restricted bank deposits	50	-	-	-	-	50	1.100
Other non-current receivables	-	572	1,955	-	1	2,528	0.000 - 13.403
	37,849	572	1,955	12,918	54,088	107,382	
Financial liabilities							
Trade and other payables	15	-	-	-	58,102	58,117	1.440 - 2.361
Long-term loans	11,499	51,280	95,432	907	104	159,222	1.330 - 4.850
Lease liabilities	908	1,291	543	-	-	2,742	0.872 - 6.998
Other non-current payables	-	31	-	-	1	32	1.440 - 2.361
	12,422	52,602	95,975	907	58,207	220,113	

(Unit: Million Baht)

Consolidated financial statements

2022

	Fixed interest rates						
	Within	1-5	Over	Floating	Non- interest		Effective
	1 year	years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	3,019	-	-	6,613	57	9,689	0.100 - 1.000
Trade and other receivables	134	-	-	-	62,372	62,506	0.000 - 10.162
Specific-purpose deposits at							
financial institutions	33,869	-	-	4,088	-	37,957	0.100 - 2.100
Restricted bank deposits	50	-	-	-	-	50	0.250
Other non-current receivables	-	481	1,247	-	1	1,729	0.000 - 10.162
	37,072	481	1,247	10,701	62,430	111,931	
<u>Financial liabilities</u>							
Trade and other payables	10	-	-	-	66,581	66,591	1.440 - 2.361
Long-term loans	9,335	45,080	87,129	949	120	142,613	1.330 - 4.900
Lease liabilities	914	1,351	241	-	-	2,506	0.825 - 11.744
Other non-current payables	-	14	-	-	1	15	1.440 - 2.361
	10,259	46,445	87,370	949	66,702	211,725	

(Unit: Million Baht)

Separate financial statements							
2023							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	7,169	58	7,227	0.150 - 0.700
Trade and other receivables	42	-	-	-	53,914	53,956	2.667 - 13.403
Specific-purpose deposits at financial institutions	36,859	-	-	5,524	-	42,383	0.150 - 2.825
Other non-current receivables	-	105	639	-	1	745	2.667 - 13.403
	36,901	105	639	12,693	53,973	104,311	
<u>Financial liabilities</u>							
Trade and other payables	15	-	-	-	57,892	57,907	1.440 - 2.361
Long-term loans	11,499	51,280	95,432	-	104	158,315	1.330 - 4.850
Lease liabilities	896	1,282	543	-	-	2,721	0.872 - 6.998
Other non-current payables	-	31	-	-	1	32	1.440 - 2.361
	12,410	52,593	95,975	-	57,997	218,975	

(Unit: Million Baht)

Separate financial statements							
2022							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	2,000	-	-	6,503	57	8,560	0.100 - 1.000
Trade and other receivables	27	-	-	-	62,065	62,092	2.667 - 10.162
Specific-purpose deposits at financial institutions	33,869	-	-	4,088	-	37,957	0.100 - 2.100
Other non-current receivables	-	79	265	-	1	345	2.667 - 10.162
	35,896	79	265	10,591	62,123	108,954	
<u>Financial liabilities</u>							
Trade and other payables	10	-	-	-	66,369	66,379	1.440 - 2.361
Long-term loans	9,335	45,080	87,129	-	120	141,664	1.330 - 4.900
Lease liabilities	908	1,325	241	-	-	2,474	0.825 - 11.744
Other non-current payables	-	14	-	-	1	15	1.440 - 2.361
	10,253	46,419	87,370	-	66,490	210,532	

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 32.08 percent of the Group's debt will mature in less than one year at 31 December 2023 (2022: 36.37 percent) (Provincial Electricity Authority only: 32.15 percent, 2022: 36.43 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 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements			
	2023			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Financial liabilities				
Trade and other payables	57,783	-	-	57,783
Deposits payable	571	-	-	571
Long-term loans	11,580	51,746	95,966	159,292
Lease liabilities	993	1,490	915	3,398
Other non-current payables	-	33	-	33
Total financial liabilities	70,927	53,269	96,881	221,077

(Unit: Million Baht)

	Consolidated financial statements			
	2022			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Financial liabilities				
Trade and other payables	66,442	-	-	66,442
Deposits payable	382	-	-	382
Long-term loans	9,470	45,703	87,600	142,773
Lease liabilities	978	1,468	419	2,865
Other non-current payables	-	16	-	16
Total financial liabilities	77,272	47,187	88,019	212,478

(Unit: Million Baht)

	Separate financial statements			
	2023			
	Less than	1 - 5	Over	Total
	1 year	years	5 years	
Financial liabilities				
Trade and other payables	57,663	-	-	57,663
Deposits payable	571	-	-	571
Long-term loans	11,518	51,350	95,516	158,384
Lease liabilities	979	1,481	915	3,375
Other non-current payables	-	33	-	33
Total financial liabilities	70,731	52,864	96,431	220,026

(Unit: Million Baht)

	Separate financial statements			
	2022			
	Less than	1 - 5	Over	Total
	1 year	years	5 years	
Financial liabilities				
Trade and other payables	66,231	-	-	66,231
Deposits payable	382	-	-	382
Long-term loans	9,354	45,158	87,225	141,737
Lease liabilities	969	1,440	419	2,828
Other non-current payables	-	16	-	16
Total financial liabilities	76,936	46,614	87,644	211,194

38.2 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			
	2023		2022	
	Carrying	Fair value	Carrying	Fair value
	amount		amount	
Financial liabilities				
Long-term loans	149,815	147,642	138,664	139,363

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.

39. 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 2023, the Group's debt-to-equity ratio was 1.80:1 (2022: 1.78:1) and Provincial Electricity Authority only was 1.79:1 (2022: 1.78:1).

40. Approval of financial statements

These financial statements were authorised for issue by Provincial Electricity Authority's Governor on 21 March 2024.