FINANCIAL STATEMENTS TERRITORY WILDLIFE PARKS

FINANCIAL STATEMENTS OVERVIEW

This section of the report provides an analysis of the financial activities of Territory Wildlife Parks for the year ended 30 June 2021. Territory Wildlife Parks is a Government Business Division (GBD) responsible for managing the Territory Wildlife Park (TWP) at Berry Springs and the Alice Springs Desert Park (ASDP). As a GBD, Territory Wildlife Parks are required to pay the full cost of resources used (including tax equivalents), set efficient prices based on costs, and operate under appropriate commercial accounting and management structures.

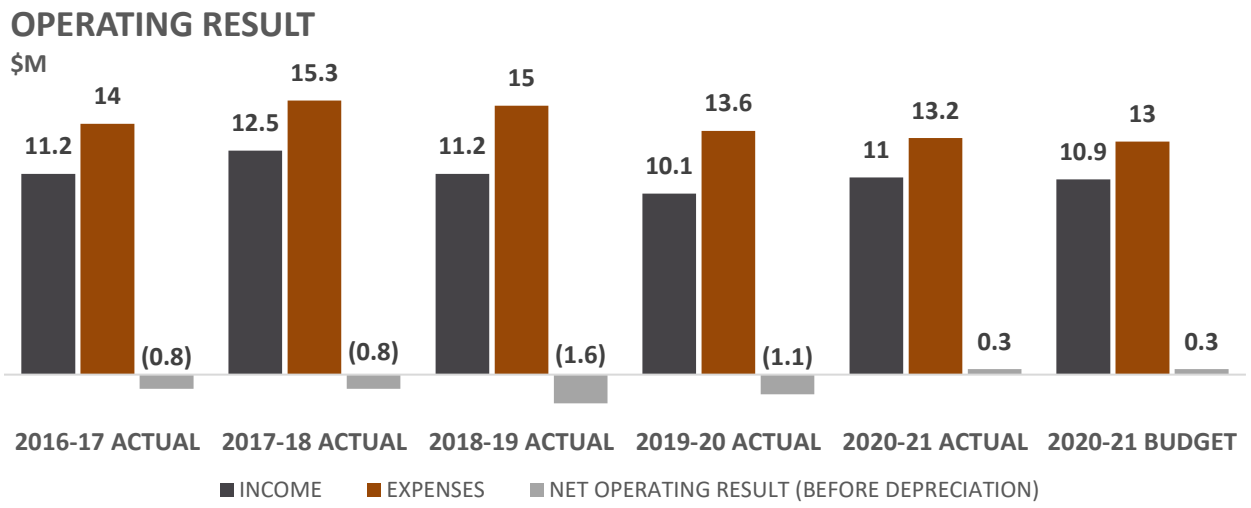
The key responsibility of both Parks' is to showcase the Northern Territory's unique flora and fauna in a natural environment that is educational, interactive and interesting for both the visiting public as a tourist attraction and as a community asset. The park experience enables people to understand, respect and enjoy the Territory's natural environment.

SUMMARY OF FINANCIAL PERFORMANCE

During the year both parks realised significant operational efficiencies and, whilst managing the impact of COVID-19 on parks visitor numbers, were forecast to improve on their prior years operating position.

In 2020-21, the GBD reported a net operating loss of $2.2 million, or an adjusted profit of $0.3 million prior to charging non-cash depreciation. This compares to a budgeted profit before depreciation of $0.3 million. The operating profit can be contributed to:

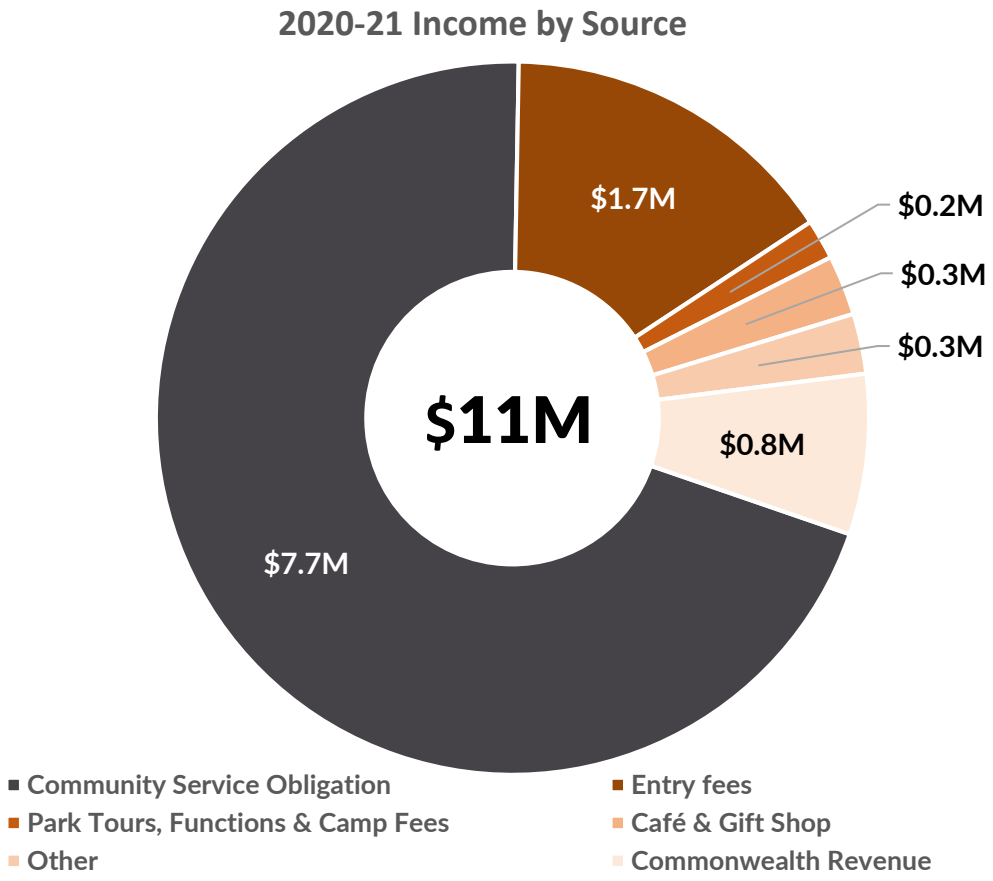
- Commonwealth Government Supporting Australia's Exhibiting Zoos and Aquariums affected by COVID-19 restrictions
- Efficiencies found within operating expenses, partially offsetting insufficient revenue to meet staffing costs negotiated through the NTPS Enterprise Bargaining Agreement (EBA).



NET OPERATING RESULT SUMMARY 2020-21	TWP $M	ASDP $M	TOTAL $M
Income	5.9	5.2	11.0
Expenses	(7.2)	(6.0)	(13.2)
Net Profit / (Loss)	(1.3)	(0.8)	(2.2)
Net Profit / (Loss) Before Deprecation	**0.1**	**0.2**	**0.3**

COMPREHENSIVE OPERATING STATEMENT

INCOME



Territory Wildlife Parks' primary source of income is from the Northern Territory Government in the form of a Community Service Obligation (CSO) payment. The CSO payment allows Government to achieve identifiable community and social objectives that would not be achieved if outcomes were purely commercially delivered.

The non-commercial functions carried out by the Territory Wildlife Parks include maintaining assets to a standard to assist in tourism development and growth, supporting biodiversity through captive breeding of endangered rare and threatened species, enhancing education of school children through teaching the benefits of the natural environment, and management of a Central Australian botanic gardens.

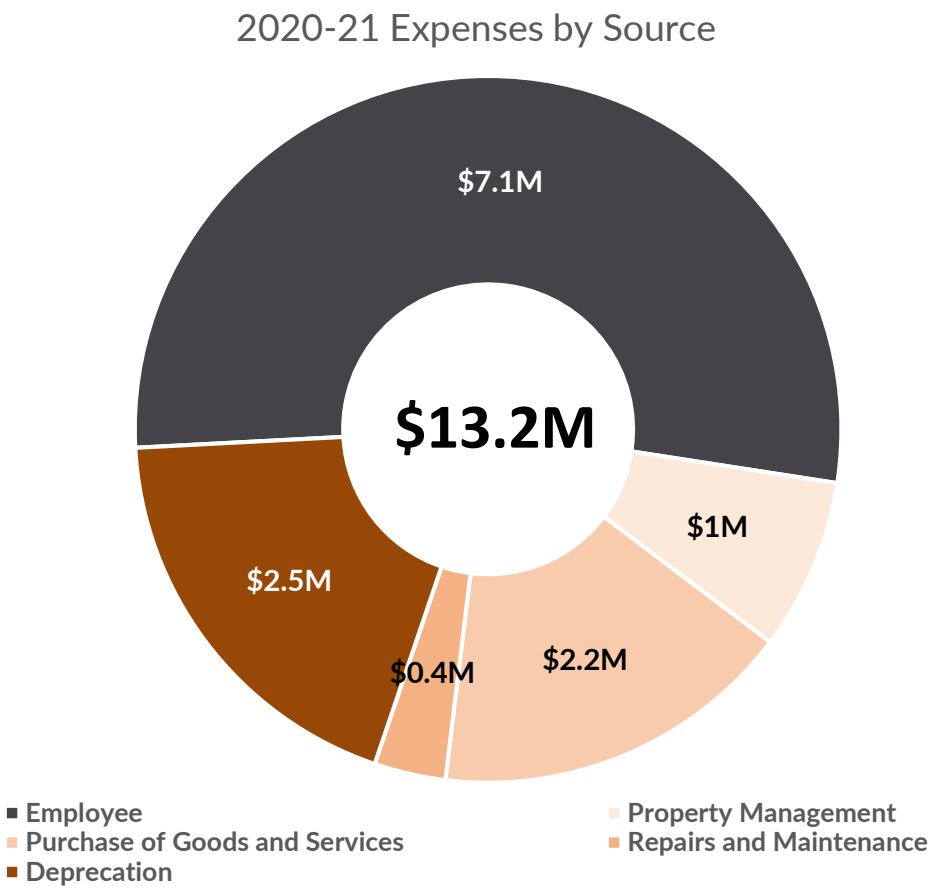
The income received of $11 million in 2020-21 was $0.1 million higher than budget and $0.9 million higher than the prior year. The increase in revenue over the prior year is predominantly due to commonwealth funding received for supporting Australia's Exhibiting Zoos and Aquariums affected by COVID-19 restrictions.

The impact of COVID-19 on operations continues to be seen in the significant reduction in visitors, with only 88 800 visitors received in 2019-20 and 96 800 visitors received in 2020-21, although recovering slightly with a 9% increase on visitor numbers from 2019-20 it is a large decline from 2018-19 year where a total of 126 856 visitors were recorded.

The table below shows the five-year trend for income sources, with a comparison of actual and budget income for 2020-21. It shows a steady source of income up until 2019-20 with the impact of COVID-19 restrictions negatively impacting revenue. With the aid of Commonwealth grant funding, the parks were able to continue to operate in unprecedented times.

INCOME TYPE	ACTUAL 2016-17 $M	ACTUAL 2017-18 $M	ACTUAL 2018-19 $M	ACTUAL 2019-20 $M	ACTUAL 2020-21 $M	BUDGET 2020-21 $M
Community Service Obligation	7.8	9.2	7.9	7.7	7.7	7.7
Commonwealth Grants	-	-	-	-	0.8	0.7
Entry Fees	2.1	2.1	2.1	1.7	1.7	1.7
Park Tours, Functions and Camp Fees	0.4	0.4	0.4	0.2	0.2	0.4
Café & Gift Shop	0.7	0.6	0.6	0.3	0.3	0.3
Other	0.2	0.2	0.2	0.2	0.3	0.1
Total Income	**11.2**	**12.5**	**11.2**	**10.1**	**11.0**	**10.9**
Visitor Numbers	133 327	124 888	126 856	88 880	96 800	
Entry Fee Per Visitor	$15.59	$16.65	$16.81	$19.30	$18.24	

EXPENSES



Operating the Territory Wildlife Parks in 2020-21 cost $13.2 million, which was $0.18 million more than budget and $0.4 million less than the 2019-20 actual result.

Employee Expenses

Employee costs of $7.1 million represent 54% of total expenditure. 2020-21 employee expenses decreased by 3% and were $0.2 million less than the prior year. The reduction was largely due to the management of casual staffing requirements partially offset by staff pay rises as negotiated under the NTPS EBA.

Property Management Expenses

Property management costs are $1 million, comprising 7% of total expenditure. Property management costs have remained fairly constant over the past five years reflecting the semi-fixed nature of the costs. Costs were $0.1 million less than budget and slightly less than the prior year actuals.

Purchase of Goods and Services

The purchase of goods and services to operate the Parks' represents 17% of total expenditure at a cost of $2.2 million. Which was in line with budget and only $0.1 million less than the prior year.

Repairs and Maintenance Expenses

Repairs and maintenance expenses of $0.4 million represents 3% of total expenditure. Costs were $0.1 million less than budget.

Depreciation

Depreciation is the allocation of an asset's cost over its useful life. In 2020-21, depreciation was $0.1 million higher than budget and $0.1 million higher than that of the prior year. This increase is a result of the $0.9 million increase to Buildings and Infrastructure assets revaluation in 2019-20 and new asset additions.

The table below shows the five-year trend of actual expenditure by type, and budget expenses for 2020-21. The trend highlights the impact of COVID-19 on the Parks and the good management and practises that are assisting to recognise efficiencies and savings to ensure that the Parks' are viable and profitable into the future.

EXPENSE TYPE	ACTUAL 2016-17 $M	ACTUAL 2017-18 $M	ACTUAL 2018-19 $M	ACTUAL 2019-20 $M	ACTUAL 2020-21 $M	BUDGET 2020-21 $M
Employee Expenses	7.2	7.6	7.9	7.3	7.1	6.8
Property Management	1.1	1.1	1.2	1.0	1.0	1.0
Purchases of Goods and Services	3.1	3.1	3.0	2.4	2.2	2.2
Repairs and Maintenance	0.6	1.4	0.7	0.5	0.4	0.6
Depreciation	2.0	2.1	2.2	2.4	2.5	2.4
Total Expenses	**14.0**	**15.3**	**15.0**	**13.6**	**13.2**	**13.0**

BALANCE SHEET

The Balance Sheet provides a summary of Territory Wildlife Parks' balances at the end of the financial year for assets, liabilities and equity. The balances reported are the net worth to Government of the Parks' asset holdings (what is owned) against liabilities (what is owed).

The five-year trend for net assets / equity is as follows:

	ACTUAL 2016-17 $M	ACTUAL 2017-18 $M	ACTUAL 2018-19 $M	ACTUAL 2019-20 $M	ACTUAL 2020-21 $M
Assets	39.4	39.3	37.8	37.6	35.9
Liabilities	(1.3)	(0.2)	(1.3)	(2.0)	(2.0)
Net Assets / Equity	38.1	39.1	36.5	35.6	33.9

Assets

The Territory Wildlife Parks maintain a significant asset base, with $35.9 million in controlled assets as at 30 June 2021.

The largest asset group is physical buildings, infrastructure, plant and equipment with a value of $35 million.

Movements in the value of the asset base during the year relates to:

- $2.5 million in depreciation; offset by
- $0.5 million capitalised completed Works In Progress
- $0.2 million recognition of transport finance leases in line with accounting standards.

The balance of assets consists of:

- $0.7 million of cash balances, representing cash held in a financial institution, gift fund accounts, and cash floats.
- $0.2 million receivables and accrued revenue representing the amount that is owed to the Parks for goods and services provided and delivered.

Liabilities

Territory Wildlife Park's liabilities totalled $2.0 million as at 30 June 2021.

- Provisions for employee entitlements of $1.0 million, such as recreation leave, leave loading and leave fares to reflect the cost in present day dollars of employee entitlements to be paid in the future.
- Lease liability recognised as a result of changes to accounting standards for $0.7 million.
- payables of $0.2 million, representing the amount owing to creditors for goods and services purchased and received.
- Deposits held of $0.1 million, being money held in the TWP gift fund account, and money held on behalf of third parties for charity collections.

Equity

Equity as at 30 June 2021 was $33.9 million, a decrease in net worth of $1.7 million from the previous year.

This result is a combination of:

- $2.2 million operating loss reported for 2020-21.
- $0.5 million transferred in from Department of Infrastructure, Planning and Logistics for completed building and infrastructure works.

CASHFLOW STATEMENT

The cash flow statement provides information on how cash was received and spent during the year. The figures in the cash flow statement vary to those in the comprehensive operating statement as the cash flow statement only includes cash transactions.

The comprehensive operating statement includes non-cash items such as depreciation, non-cash adjustments for employee entitlements and notional charges for services received free of charge from Department of Corporate and Digital Development and Department of Infrastructure, Planning and Logistics.

The Parks' cash balances were $0.8 million at 30 June 2021. The cash flows are summarised as follows:

	Actual 2016-17 $M	Actual 2017-18 $M	Actual 2018-19 $M	Actual 2019-20 $M	Actual 2020-21 $M
Cash In					
Operating receipts	11.5	12.9	11.6	10.5	11.3
Equity injections	0.9	0.8	1.4	1.4	-
	12.4	**13.7**	**13.0**	**11.9**	**11.3**
Cash Out					
Operating payments	(12.2)	(13.7)	(13.1)	(11.5)	(11.1)
	(12.2)	**(13.7)**	**(13.1)**	**(11.5)**	**(11.1)**
Net increase/ (decrease) in cash held	0.2	-	(0.1)	0.3	-
Cash at beginning of financial year	0.4	0.6	0.6	0.5	0.8
Cash at End of Financial Year	**0.6**	**0.6**	**0.5**	**0.8**	**0.8**

Auditor-General

Independent Auditor's Report
to the Minister for Parks and Rangers

Territory Wildlife Parks

Opinion

I have audited the accompanying financial report of Territory Wildlife Parks, which comprises the balance sheet as at 30 June 2021, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Chief Executive Officer.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Territory Wildlife Parks as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Territory Wildlife Parks in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Chief Executive Officer of the Department of Environment, Parks and Water Security is responsible for the other information. The other information comprises the information included in the overview preceding Territory Wildlife Parks' financial statement for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of Territory Wildlife Parks 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 Territory Wildlife Parks or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Territory Wildlife Parks.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, 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 internal control within Territory Wildlife Parks.
- 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 ability of Territory Wildlife Parks 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 report 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 Territory Wildlife Parks to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Julie Crisp
Auditor-General for the Northern Territory

Darwin, Northern Territory

30 September 2021

Level 9 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached financial statements for the Territory Wildlife Parks have been prepared based on proper accounts and records in accordance with the prescribed format, the *Financial Management Act 1995* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2021 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

Alaric Fisher
Acting Chief Executive Officer
31 August 2021

Rikki Lee Goldfinch
Acting Chief Financial Officer
31 August 2021

COMPREHENSIVE OPERATING STATEMENT

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Income			
Grants and subsidies revenue			
Current	4a	759	-
Community Service Obligations	4a	7,676	7,660
Sales of goods and services	4b	2,353	2,238
Interest revenue		3	9
Gain on disposal of assets	5	8	-
Other income	4c	243	204
Total Income	**3**	**11,042**	**10,111**
Expenses			
Employee expenses		7,072	7,321
Administrative expenses			
Property management		943	996
Purchases of goods and services	6	2,209	2,338
Repairs and maintenance		434	513
Depreciation and amortisation	14	2,518	2,385
Other administrative expenses		14	14
Interest expense	7	11	8
Total Expenses		**13,201**	**13,575**
Net Deficit Before Tax		**(2,159)**	**(3,464)**
Income Tax Expense		**-**	**-**
Net Deficit After Tax		**(2,159)**	**(3,464)**
Other Comprehensive Income – Net of Income Tax			
Changes in asset revaluation surplus	21	-	863
Total Other Comprehensive Income		**-**	**863**
Comprehensive Operating Result		**(2,159)**	**(2,601)**

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

BALANCE SHEET

As at 30 June 2021

	Note	2021 $'000	2020 $'000
Assets			
Current Assets			
Cash and deposits	9	754	759
Receivables	11	175	82
Inventories	12	40	33
Total Current Assets		**969**	**874**
Non-Current Assets			
Property, plant and equipment	14	34,963	36,779
Total Non-Current Assets		**34,963**	**36,779**
Total Assets		**35,932**	**37,653**
Liabilities			
Current Liabilities			
Deposits held	16	84	103
Payables	17	175	243
Borrowings and advances	18	188	171
Provisions	19	973	990
Total Current Liabilities		**1,420**	**1,507**
Non-Current Liabilities			
Borrowings and advances	18	554	505
Total Non-Current Liabilities		**554**	**505**
Total Liabilities		**1,974**	**2,012**
Net Assets		**33,958**	**35,641**
Equity			
Capital		34,533	34,057
Asset revaluation surplus	21	38,696	38,696
Accumulated funds		(39,271)	(37,112)
Total Equity		**33,958**	**35,641**

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

2020-21	Note	Equity at 1 July $'000	Comprehensive Result $'000	Transactions with owners in their capacity as owners $'000	Equity at 30 June $'000
Accumulated Funds		**(37,112)**	**(2,159)**	**-**	**(39,271)**
Reserves					
Asset revaluation surplus	21	**38,696**	**-**	**-**	**38,696**
Capital - Transactions with Owners					
Equity injections					
Capital appropriation		19,085	-	-	19,085
Equity transfers in		10,945	-	476	11,421
Other equity injections		9,800	-	-	9,800
Equity withdrawals					
Capital Withdrawal		(3,359)	-	-	(3,359)
Equity transfers out		(2,414)	-	-	(2,414)
		34,057	**-**	**-**	**34,533**
Total Equity at 30 June		**35,641**	**(2,159)**	**476**	**33,958**

2019-20	Note	Equity at 1 July $'000	Comprehensive Result $'000	Transactions with owners in their capacity as owners $'000	Equity at 30 June $'000
Accumulated Funds		**(33,648)**	**(3,464)**	**-**	**(37,112)**
Reserves					
Asset revaluation surplus	21	**37,833**	**863**	**-**	**38,696**
Capital - Transactions with Owners					
Equity injections					
Capital appropriation		19,085	-	-	19,085
Equity transfers in		10,638	-	307	10,945
Other equity injections		8,400	-	1,400	9,800
Equity withdrawals					
Capital Withdrawal		(3,359)	-	-	(3,359)
Equity transfers out		(2,414)	-	-	(2,414)
		32,350	**-**	**1,707**	**34,057**
Total Equity at 30 June		**36,535**	**(2,601)**	**1,707**	**35,641**

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash Flows From Operating Activities			
Operating Receipts			
Grants and subsidies received			
Current		759	-
Community Service Obligations		7,676	7,660
Receipts from sales of goods and services		2,833	2,837
Deposits received		-	4
Interest received		3	9
Total Operating Receipts		**11,271**	**10,510**
Operating Payments			
Payments related to employees		(7,113)	(7,247)
Payments for goods and services		(3,953)	(4,246)
Deposits paid		(19)	-
Total Operating Payments		**(11,085)**	**(11,493)**
Net Cash Generated from/(Used In) Operating Activities	**10**	**186**	**(983)**
Cash Flows From Investing Activities			
Investing Receipts			
Proceeds from asset sales	5	10	-
Total Investing Receipts		**10**	**-**
Total Investing Payments		**-**	**-**
Net Cash Generated from Investing Activities		**10**	**-**
Cash Flows From Financing Activities			
Financing Receipts			
Equity injections			
Other equity injections		-	1,400
Total Financing Receipts		**-**	**1,400**
Financing Payments			
Interest paid on lease liabilities	18	(11)	(8)
Lease liabilities payments	18	(190)	(129)
Total Financing Payments		**(201)**	**(137)**
Net Cash Generated (Used in)/from Financing Activities		**(201)**	**1,263**
Net (decrease)/increase in cash held		(5)	280
Cash at beginning of financial year		759	479
Cash at End of Financial Year	**9**	**754**	**759**

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1. OBJECTIVES AND FUNDING

Territory Wildlife Parks ("the Entity") is a government business division responsible for managing the Territory Wildlife Park at Berry Springs and the Alice Springs Desert Park. A key responsibility of both Parks is to showcase the Northern Territory's unique flora and fauna in a natural environment that is interactive and interesting for the visiting public, provide recreational opportunities, and promote biodiversity conservation principles. The Parks experience enables people to understand, respect and enjoy the Territory's natural environment.

Territory Wildlife Parks, established under the *Financial Management Act 1995*, is subject to the direction of the Minister for Parks and Rangers. Territory Wildlife Parks is dependent on funding from the Northern Territory Government in recognition that it carries out activities on a non-commercial basis. Such funding is termed as 'Community Service Obligation' (CSO) and this funding is reflected in the Comprehensive Operating Statement (also refer to Note 4).

These financial statements are prepared on a going concern basis in the expectation that such funding will continue.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act 1995* and related Treasurer's Directions. The *Financial Management Act 1995* requires Territory Wildlife Parks to prepare financial statements for the year ended 30 June 2021 based on the form determined by the Treasurer. The form of Territory Wildlife Parks' financial statements should include:

(i) a certification of the financial statements

(ii) a comprehensive operating statement

(iii) a balance sheet

(iv) a statement of changes in equity

(v) a cash flow statement and

(vi) applicable explanatory notes to the financial statements.

(b) Basis of accounting

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of Territory Wildlife Parks' financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

Standards and interpretations effective from 2020-21

Several amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

Standards and interpretations issued but not yet effective

No Australian accounting standards have been early adopted for 2020-21.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

(c) Reporting entity

The financial statements cover Territory Wildlife Parks as an individual reporting entity.

Territory Wildlife Parks is a Government Business Division established under the *Financial Management Act 1995*.

The principal places of business of Territory Wildlife Parks are:

Territory Wildlife Park
Cox Peninsula Road
BERRY SPRINGS NT 0838

Alice Springs Desert Park
871 Larapinta Drive
ALICE SPRINGS NT 0871

(d) Comparatives

Where necessary, comparative information for the 2019-20 financial year has been reclassified to provide consistency with current year disclosures.

(e) Presentation and rounding of amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of $500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

(f) Changes in accounting policies

There have been no changes to accounting policies adopted in 2020-21 as a result of management decisions. Any changes in policies relating to COVID-19 are disclosed in (j) below.

(g) Accounting judgements and estimates

The preparation of the financial report requires the making of judgements and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

(h) Goods and services tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

(i) Taxation

Territory Wildlife Parks is required to pay income tax on its accounting profit, excluding extraordinary items, at the company rate of 30 per cent in accordance with the requirements of the Treasurer's Directions and the NT Tax Equivalent Regime. Territory Wildlife Parks does not have a present income tax liability as it has incurred a loss for income tax purposes and has not taken to account any future income tax benefits arising from this loss as the potential future income tax benefit is not probable.

The future income tax benefits will only be realised if:

(i) Territory Wildlife parks derives future assessable income of a nature and amount sufficient to enable the benefit to be realised

(ii) Territory Wildlife Parks continues to comply with the conditions for deductibility imposed by the Treasurer's Directions, and

(iii) There are not changes to the NT Tax equivalent regime that adversely affect Territory Wildlife Parks.

(j) Impact of COVID-19

Due to state lockdowns and border restrictions there have been fewer visitors to Territory Wildlife Parks across the 2020-21 financial year which has impacted the government business division's comprehensive result.

(k) Income

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchange of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(l) Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

3. SEGMENT INFORMATION

Territory Wildlife Parks operates two major parks, which are its reportable segments. Information related to each reportable segment is set out below:

	Territory Wildlife Park		Alice Springs Desert Park		Territory Wildlife Parks	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Revenue	5,882	5,228	5,160	4,883	11,042	10,111
Net Deficit	(1,331)	(2,306)	(828)	(1,158)	(2,159)	(3,464)
Assets	13,358	14,577	21,605	22,202	34,963	36,779
Unallocated Assets	-	-	-	-	969	874
Unallocated Liabilities	-	-	-	-	(1,974)	(2,012)

Property, plant and equipment is allocated to reportable segments. All other assets and liabilities are not reported by segment.

4. REVENUE

(a) Grants and subsidies revenue

	2021			2020		
	Revenue from contracts with customers $'000	Other $'000	Total $'000	Revenue from contracts with customers $'000	Other $'000	Total $'000
Current grants and subsidies	-	759	759	-	-	-
Community Service Obligations	-	7,676	7,676	-	7,660	7,660
Total grants and subsidies revenue	**-**	**8,435**	**8,435**	**-**	**7,660**	**7,660**

Grant revenue, passed on from Territory Government-controlled entity with the exception of the Central Holding Authority, is recognised upfront on receipt, irrespective of which revenue accounting standard it may fall under in accordance with the Treasurer's Direction on income.

Community Service Obligations (CSO) funding is received from the Department of Environment, Parks and Water Security (DEPWS) where Territory Wildlife Parks is required to carry out activities on a non-commercial basis and is recognised upfront on receipt.

(b) Sales of goods and services

	2021			2020		
	Revenue from contracts with customers $'000	Other $'000	Total $'000	Revenue from contracts with customers $'000	Other $'000	Total $'000
Sales of goods and services	2,353	-	2,353	2,238	-	2,238
Total sales of goods and services	**2,353**	**-**	**2,353**	**2,238**	**-**	**2,238**

Sale of goods

Revenue from sales of goods is recognised when Territory Wildlife Parks satisfies a performance obligation by transferring the promised goods, including various gift shop items and consumable goods from the café. Territory Wildlife Parks typically satisfies its performance obligations when the customer has made payment as Territory Wildlife Parks has a right to payment at point of sale, and the customer has taken physical possession of the item. Payments are made upfront at time of purchase.

Revenue from these sales are based on the retail price on display in the café and gift shop respectively, and revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. There is no element of financing present as payment is made up front with no credit terms.

Rendering of services

Revenue from rendering of services is recognised when Territory Wildlife Parks satisfies the performance obligation by transferring the promised services. Territory Wildlife Parks provides access to visitors to experience and enjoy the Territory's unique flora and fauna in a natural environment that is educational and interactive. Visitors are provided access to all exhibits and can further purchase guided tours or experiences within the parks. Territory Wildlife Parks typically satisfies its performance obligations once the customer pays the entry fee, enters the park and has access to enjoy the activities and displays on offer.

Revenue from contracts with customers have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2021 $'000	2020 $'000
Type of good and service:		
Sales of inventory	328	286
Visitor services	2,025	1,952
Total revenue from contracts with customers by good or service	**2,353**	**2,238**
Type of customer:		
Australian government entities	-	1
State and territory governments	66	46
Non-government entities	2,287	2,191
Total revenue from contracts with customers by type of customer	**2,353**	**2,238**
Timing of transfer of goods and services:		
Point in time	2,353	2,238
Total revenue from contracts with customers by timing of transfer	**2,353**	**2,238**

(c) Other income

	2021			2020		
	Revenue from contracts with customers $'000	Other $'000	Total $'000	Revenue from contracts with customers $'000	Other $'000	Total $'000
Staff accommodation rent	-	93	93	-	99	99
Other Income	-	150	150	-	105	105
Total other income	**-**	**243**	**243**	**-**	**204**	**204**

Rental income for provision of staff accommodation is recognised upfront on receipt, with payments due to Territory Wildlife Parks in arrears.

5. GAIN ON DISPOSAL OF ASSETS

	2021 $'000	2020 $'000
Net proceeds from the disposal of non-current assets	10	-
Less: Carrying value of non-current assets disposed	(4)	-
Gain on the Disposal of Non-Current Assets	6	-
Proceeds from sale of minor assets	2	-
Total gain on the disposal of assets	**8**	**-**

6. PURCHASES OF GOODS AND SERVICES

The net deficit has been arrived at after charging the following expenses:

	2021 $'000	2020 $'000
Consultants [1]	7	8
Advertising [2]	31	59
Marketing and promotion [3]	15	30
Document production	2	3
Legal expenses [4]	1	12
Recruitment [5]	13	3
Training and study	16	26
Official duty fares	2	3
Travelling allowance	2	1
Information technology charges and communications	340	357
Audit and other service	26	28
Insurance	134	138
Motor Vehicle expenses	356	343
Corporate support by external agencies	682	704
Other	582	623
Total Purchases of Goods and Services	**2,209**	**2,338**

[1] *Includes marketing, promotion and IT consultants.*
[2] *Includes marketing and promotion advertising but does not include recruitment advertising*
[3] *Excludes advertising for marketing and promotion which is incorporated under advertising and excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category;*
[4] *Includes legal fees, claim and settlement costs.*
[5] *Includes recruitment-related advertising costs.*

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and service costs recognised in the reporting period in which they are incurred.

Repairs and maintenance expenses

Costs associated with repairs and maintenance works on Territory Wildlife Parks' assets are expensed as incurred.

7. INTEREST EXPENSE

	2021 $'000	2020 $'000
Interest from lease liabilities	11	8
Total Interest Expense	**11**	**8**

Interest expenses consist of interest and other costs incurred in connection with the borrowing of funds. It includes interest on lease liabilities.

8. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

	2021		2020	
	$'000	No. of Trans	$'000	No. of Trans
Write-offs, Postponements and Waivers under the *Financial Management Act 1995*				
Represented by:				
Amounts written off, postponed and waived by Delegates				
Irrecoverable amounts payable to the Entity written off	-	-	5	1
Public property written off	-	-	-	6
Total Written Off, Postponed and waived by Delegates	**-**	**-**	**5**	**7**
Amounts written off, postponed and Waived by the Treasurer				
Write-offs, postponements and waivers due to COVID-19	-	-	3	2
Total Written Off, Postponed and Waived by Treasurer	**-**	**-**	**3**	**2**

9. CASH AND DEPOSITS

	2021 $'000	2020 $'000
Cash on hand	7	13
Cash at bank	747	746
Total Cash and Deposits	**754**	**759**

For the purposes of the balance sheet and the cash flow statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash, of which the Entity has none. Cash on hand includes floats and petty cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner.

10. CASH FLOW RECONCILIATION

(a) Reconciliation of cash

The total of Territory Wildlife Parks cash and deposits of $754,000 recorded in the balance sheet is consistent with that recorded as 'cash' in the cash flow statement.

Reconciliation of net deficit to net cash from operating activities

	2021 $'000	2020 $'000
Net (Deficit)	**(2,159)**	**(3,464)**
Non-Cash Items:		
Depreciation and amortisation	2,518	2,385
Gain on sale of fixed assets	(6)	-
Repairs and maintenance non cash	26	8
Interest expense on lease liabilities	11	8
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(93)	71
(Increase) in inventories	(7)	(12)
(Decrease)/Increase in deposits held	(19)	4
(Decrease) in payables	(68)	(28)
(Decrease)/Increase in employment benefits	(13)	35
(Decrease)/Increase in other provisions	(4)	10
Net Cash Generated/(Used) In Operating Activities	**186**	**(983)**

(b) Reconciliation of liabilities arising from financing activities

Cash Flows - Borrowings and Advances	2021 $'000	2020 $'000
Balance at 1 July	676	-
Recognition of Lease Liabilities on Initial Adoption of AASB16	-	309
Adjusted balance as at 1 July	**676**	**309**
Lease liabilities repayments	(190)	(129)
Total cash flows	**(190)**	**(129)**
Additional lease liabilities	256	496
Balance at 30 June	**742**	**676**

(c) Non-cash financing and investing activities

Lease transactions

During the financial year, the entity recorded right-of-use assets for the lease of vehicles with an aggregate value of $736,000 (2020: $805,000).

11. RECEIVABLES

	2021 $'000	2020 $'000
Accounts receivable	39	11
Less: Loss allowance	(26)	(10)
	13	**1**
Contract Receivables	56	13
Less: Loss allowance	(4)	(6)
	52	**7**
GST receivables	22	43
Prepayments	24	20
Other receivables	64	11
Total Receivables	**175**	**82**

Receivables are initially recognised when the Entity becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include contract receivables, accounts receivable, accrued contract revenue and other receivables.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments.

Accounts receivable, contract receivables, and other receivables are generally settled within 30 days of due date. The loss allowance reflects lifetime expected credit losses and represents the amount of receivables the Entity estimates are likely to be uncollectible and are considered doubtful.

Accrued contract revenue

Accrued contract revenue arises from contracts with customers where the Entity's right to consideration in exchange for goods transferred to customers or works completed have arisen but have not been billed at the reporting date. Once the Entity's right to payment becomes unconditional, usually on issue of an invoice, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers are reported as part of other receivables.

Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. The Entity applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivables and accrued contract revenue. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information.

In accordance with the provisions of the FMA, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes a failure to make contractual payments for a period greater than 90 days past due.

The loss allowance for receivables as at the reporting date is disclosed below.

Loss allowance for receivables

	2021				2020			
	Gross receivables $'000	Loss rate %	Expected credit losses $'000	Net receivables $'000	Gross receivables $'000	Loss rate %	Expected credit losses $'000	Net receivables $'000
Internal receivables								
Not overdue	1	1%	-	1	1	-	-	1
Overdue for less than 30 days	-	-	-	-	-	-	-	-
Overdue for 30 to 60 days	-	-	-	-	-	-	-	-
Overdue for more than 60 days	-	-	-	-	-	-	-	-
Total internal receivables	**1**	**-**	**-**	**1**	**1**	**-**	**-**	**1**
External receivables								
Not overdue	47	0%	-	47	1	100%	1	-
Overdue for less than 30 days	2	6%	-	2	9	100%	9	-
Overdue for 30 to 60 days	12	25%	3	9	3	33%	1	2
Overdue for more than 60 days	33	80%	27	6	10	50%	5	5
Total external receivables	**94**	**32%**	**30**	**64**	**23**	**70%**	**16**	**7**

The loss rates have been calculated using unrounded figures which may differ to rounded values.

Reconciliation of loss allowance for receivables	2021 $'000	2020 $'000
External receivables		
Opening balance	16	7
Written off during the year	-	(5)
Increase in allowance recognised in profit or loss	14	14
Total external receivables	**30**	**16**

12. INVENTORIES

	2021 $'000	2020 $'000
General inventories		
At cost	40	33
Total Inventories	**40**	**33**

Inventories include assets held either for sale (general inventories) or distribution at no or nominal consideration in the ordinary course of business operations

General inventories are valued at the lower of cost and net realisable value, while those held for distribution are carried at the lower of cost and current replacement cost. Cost of inventories includes all costs associated with bringing the inventories to their present location and condition. When inventories are acquired at no or nominal

consideration, the cost will be the current replacement cost at date of acquisition.

The cost of inventories are assigned using a mixture of first in, first out or weighted average cost formula or using specific identification of their individual costs.

Inventory held for distribution are regularly assessed for obsolescence and loss.

13. OTHER ASSETS

(a) Entity as a lessor

Leases under which the Entity assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

Subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A sublease is an arrangement where the underlying asset is re-leased by a lessee (intermediate lessor) to another party, and the lease (head lease) between the head lessor and original lessee remains in effect.

Finance leases

At the lease commencement date, the entity recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease Initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The Entity does not have any finance lease or sublease arrangements.

Operating leases

An operating lease is a lease other than a finance lease.

Territory Wildlife Parks owns houses which are leased to employees under operating lease arrangements with rentals payable monthly. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income, in the period in which it is earned, due to its operating nature. Territory Wildlife Parks recognised $93 000 of rental income in 2020-21 ($99 000 2019-20).

Lease payments may be increased in line with the *NT Residential Tenancies Act 1999* and are not subject to variation based on an index or rate.

All rental agreements are ongoing periodic leases, terminating on cessation of employment or in line with other clauses in the agreement. Due to the unspecified lease term, future minimum rentals receivable (undiscounted) as at 30 June are unable to be calculated.

Contract cost asset

Costs to obtain a contract are expensed where goods and services will be transferred within one year or less and only capitalised if deemed material. Territory Government employee costs that satisfy the criteria for recognition as a cost to fulfil a contract are not capitalised and expensed immediately. Other costs to fulfil a contract are accounted for as a contract cost asset if deemed material. For the 2020-21 reporting period, no costs were capitalised as a contract cost asset.

14. PROPERTY, PLANT AND EQUIPMENT

	2021 $'000	2020 $'000
Buildings		
At Fair Value	45,359	44,909
Less: Accumulated Depreciation	(25,806)	(24,759)
	19,553	**20,150**
Infrastructure		
At Fair Value	39,860	39,860
Less: Accumulated Depreciation	(25,191)	(23,926)
	14,669	**15,934**
Plant and Equipment		
At Cost	373	373
Less: Accumulated Depreciation	(372)	(372)
	1	**1**
Transport Equipment		
At Cost	1,067	822
Less: Accumulated Depreciation	(331)	(147)
	736	**675**
Computer Hardware		
At Cost	45	45
Less: Accumulated Depreciation	(41)	(26)
	4	**19**
Total Property, Plant and Equipment	**34,963**	**36,779**

Property, plant and equipment reconciliations

Property, plant and equipment includes right-of-use assets under AASB 16 Leases and service concession assets under AASB 1059. Further information on right-of-use assets and service concession assets are disclosed in Note 15.

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2020-21 is set out below:

2020-21	Buildings $'000	Infrastructure $'000	Plant and Equipment $'000	Transport Equipment $'000	Computer Hardware $'000	Total $'000
Carrying Amount as at 1 July	**20,150**	**15,934**	**1**	**675**	**19**	**36,779**
Additions	-	-	-	-	-	-
Additions of right-of-use assets				246	-	246
Disposals	-	-	-	(4)	-	(4)
Depreciation expense – asset owned	(1,047)	(1,265)	-	-	(15)	(2,327)
Depreciation expense – right-of-use asset	-	-	-	(191)	-	(191)
Additions/ (Disposals) from Asset Transfers	450	-	-	-	-	450
Lease Remeasurement	-	-	-	10	-	10
Carrying Amount as at 30 June	**19,553**	**14,669**	**1**	**736**	**4**	**34,963**

2019-20	Buildings $'000	Infrastructure $'000	Plant and Equipment $'000	Transport Equipment $'000	Computer Hardware $'000	Total $'000
Carrying Amount as at 1 July	**20,371**	**16,785**	**1**	**5**	**35**	**37,197**
Recognition of right-of-use assets on initial adoption of AASB16	-	-	-	309	-	309
Adjusted carrying amount as at 1 July 2019	**20,371**	**16,785**	**1**	**314**	**35**	**37,506**
Additions	-	-	-	-	-	-
Additions of right-of-use assets	-	-	-	496	-	496
Disposals	-	-	-	-	-	-
Depreciation expense – asset owned	(981)	(1,253)	-	(1)	(16)	(2,251)
Depreciation expense – right-of-use asset	-	-	-	(134)	-	(134)
Additions/ (Disposals) from Asset Transfers	149	150	-	-	-	299
Revaluation increment/ (decrement)	611	252	-	-	-	863
Carrying Amount as at 30 June	**20,150**	**15,934**	**1**	**675**	**19**	**36,779**

Acquisitions

Property, plant and equipment are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other accounting standards.

All items of property, plant and equipment with a cost or other value, equal to or greater than $10,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the $10,000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent additional costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to Entity in future years. Where these costs represent separate components of a complex asset they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (work in progress)

As part of the financial management framework, the Department of Infrastructure Planning and Logistics is responsible for managing general government capital works projects on a whole of government basis. Therefore, appropriation for most of the Entity's capital works is provided directly to the Department of Infrastructure, Planning and Logistics and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are then transferred to the Entity.

On rare occasions amounts are transferred to agencies prior to a project being finished and will sit as works in progress within the Entity's ledger until completed and capitalised.

Revaluations and Impairment

Revaluation of assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- buildings
- infrastructure assets

Plant and equipment asset classes are stated at historical cost less depreciation, which is deemed to equate to fair value.

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value. These right-of-use assets are not subject to revaluation.

Territory Wildlife Parks' buildings and infrastructure assets are revalued at least once every five years. The latest revaluations as at 30 June 2020 were independently conducted by Colliers International. Refer to Note 22 – Fair Value Measurement of Non-Financial Assets for additional disclosures.

Impairment of assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible Entity assets are assessed for indicators of impairment on an annual basis or whenever there is an indication of impairment. If an indicator of impairment exists, the Entity determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the comprehensive operating statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the comprehensive operating statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 21 provides additional information in relation to the asset revaluation surplus.

Territory Wildlife Parks' property, plant and equipment assets were assessed for impairment as at 30 June 2021. No impairment adjustments were required as a result of this review.

Depreciation and amortisation expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The Treasurer's Directions provide guidance for the estimate useful lives for each class of assets as follows, and allow the Entity to make other estimates as necessary:

Class of Asset	2021	2020
Buildings	10 – 50 years	10 – 50 years
Infrastructure	8 - Infinite	8 - Infinite
Plant and Equipment	1 – 20 years	1 – 20 years
Transport Equipment	4 - 10 years	4 - 10 years
Computer Hardware	3 – 6 years	3 – 6 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use. Assets may be constructed internally, acquired assets may have modifications and accessories installed, and equipment may be calibrated and tested, affecting the date the asset is held ready for use.

The estimated useful lives disclosed above includes the useful lives of right-of-use assets under AASB 16 and service concession assets under AASB 1059. For further detail, refer to Note 15.

15. ENTITY AS A LESSEE

Territory Wildlife Park leases vehicles and office equipment, specifically multi-function devices (MFD). MFD leases are typically made for a fixed period of five years and vehicle lease contracts are typically made for fixed period of four to six years. All lease types may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. The Entity does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of the leases. Their terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Entity and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options for leases held by the Entity can only be exercised subject to many conditions, including condition of the asset, and are therefore not included in the lease term.

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and is within the control of the lessee.

The Entity has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low value assets are assets with a fair value of $10,000 or less when new and not subject to a sublease arrangement, comprising MFDs.

Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 14.

	2021		2020	
	Transport Equipment $'000	Total $'000	Transport Equipment $'000	Total $'000
Balance as at 1 July	671	671	309	309
Additions/remeasurements	256	256	496	496
Amortisation expense	(191)	(191)	(134)	(134)
Carrying amount as at 30 June	**736**	**736**	**671**	**671**

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2021 in respect of leases where the Entity is the lessee:

	2021 $'000	2020 $'000
Amortisation expense of right-of-use assets	(191)	(134)
Interest expense on lease liabilities	(11)	(8)
Expense relating to short-term leases	(237)	(236)
Expense relating to low-value leases	(7)	(11)
Total amount recognised in the comprehensive operating statement	**(446)**	**(389)**

Recognition and measurement (under AASB 16 from 1 July 2019)

Territory Wildlife Park assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

Territory Wildlife Parks recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Class of Asset	2021	2020
Transport Equipment	4 - 6 years	4 - 6 years

The right-of-use assets are subsequently measured at fair value which approximates costs except for those arising from leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives and are also subject to impairment.

The right-of-use assets are subject to remeasurement principles consistent with the lease liability including indexation and market rent review that approximates fair value and only revalued where a trigger or event may indicate their carrying amount does not equal fair value.

16. DEPOSITS HELD

	2021 $'000	2020 $'000
Deposits held in Gift Fund Account	78	78
Accountable Officers Trust Account (AOTA)	6	25
Total Deposits Held	**84**	**103**

17. PAYABLES

	2021 $'000	2020 $'000
Accounts payable	5	15
Accrued expenses	170	228
Total Payables	**175**	**243**

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Entity. Accounts payable are normally settled within 20 days from receipt of valid of invoices under $1 million or 30 days for invoices over $1 million.

18. BORROWINGS AND ADVANCES

	2021 $'000	2020 $'000
Current		
Lease liabilities	188	171
	188	**171**
Non-Current		
Lease liabilities	554	505
	554	**505**
Total Borrowings and Advances	**742**	**676**

Borrowings and advances are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

Lease liabilities

At the commencement date of the lease where the Entity is the lessee, the Entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by the Entity
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Entity's leases, the Northern Territory Treasury Corporation's institutional bond rate is used as the 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 modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The following table presents liabilities under leases.

	2021 $'000	2020 $'000
Balance at 1 July	676	309
Additions/remeasurements	256	496
Interest expense	11	8
Interest paid on lease liabilities	(11)	(8)
Finance lease payments	(190)	(129)
Balance at 30 June	**742**	**676**

Territory Wildlife Parks had total cash outflows for leases of $201,000 ($137,000 in 2019-20), made up of $190,000 in lease payments ($129,000 in 2019-20) and $11,000 in interest on lease liabilities ($8,000 in 2019-20).

Future minimum lease payments under non-cancellable leases not recorded as liability are as follows.

	2021		2020	
	Internal NTG $'000	External Non-NTG $'000	Internal NTG $'000	External Non-NTG $'000
Within one year	11	-	16	-
Later than one year and not later than five years	17	-	8	-
Later than five years	-	-	-	-
	28		24	-

19. PROVISIONS

	2021 $'000	2020 $'000
Current		
Employee Benefits		
Recreation Leave	713	726
Leave Loading	118	117
Other Employee Benefits	-	1
Other Current Provisions		
Other provisions (fringe benefits, payroll tax, superannuation and other)	142	146
Total Provisions	**973**	**990**

Territory Wildlife Parks employed 107 employees as at 30 June 2021 (90 employees as at 30 June 2020).

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements.
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including DEPWS, and as such no long service leave liability is recognised in Entity financial statements.

Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- Non-government, employee nominated schemes for those employees commencing on or after 10 August 1999.

Territory Wildlife Parks makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee nominated schemes. Superannuation liabilities related to Government superannuation schemes are held by the Central Holding Authority and as such are not recognised in Territory Wildlife Parks' financial statements.

20. COMMITMENTS

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

Disclosures in relation to capital and other commitments are detailed below.

Other Expenditure Commitments	2021 Internal NTG $'000	2021 External Non-NTG $'000	2020 Internal NTG $'000	2020 External Non-NTG $'000
Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:				
Within one year	15	815	16	823
Later than one year and not later than five years	17	123	8	90
	32	**938**	**24**	**913**

21. RESERVES

Asset revaluation surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

Movements in the asset revaluation surplus	2021 $'000	2020 $'000
Balance as at 1 July	38,696	37,833
Increment – Buildings and Infrastructure	-	863
Balance as at 30 June	**38,696**	**38,696**

22. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Entity include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal Entity adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument and
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

(a) Fair value hierarchy

Territory Wildlife Parks does not recognise any financial assets or liabilities at fair value as these are recognised at amortised cost. The carrying amounts of these financial assets and liabilities approximates their fair value.

The table below presents non-financial assets recognised at fair value in the balance sheet categorised by levels of inputs used to compute fair value.

	Level 1		Level 2		Level 3		Total Fair Value	
(Note 14)	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Buildings	-	-	-	-	19,553	20,150	19,553	20,150
Infrastructure	-	-	-	-	14,669	15,934	14,669	15,934
Plant and Equipment	-	-	-	-	1	1	1	1
Transport Equipment	-	-	-	-	736	675	736	675
Computer Hardware	-	-	-	-	4	19	4	19
Total	**-**	**-**	**-**	**-**	**34,963**	**36,779**	**34,963**	**36,779**

There were no transfers between Level 1 and Levels 2 or 3 during 2020-21.

(b) Valuation techniques and inputs

Valuation techniques used to measure fair value in 2020-21 are:

Asset Classes	Level 2 Technique	Level 3 Technique
Buildings	-	Cost
Infrastructure	-	Cost
Plant and Equipment	-	Cost
Transport Equipment	-	Cost
Computer Hardware	-	Cost

Territory Wildlife Parks' building and infrastructure are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, including any additions or modifications. The latest revaluation of these assets was performed by Colliers International as at 30 June 2020. The next revaluation will take place in 2024-25.

Level 3 fair values of predominately relate to buildings and infrastructure and were determined by computing their depreciated replacement costs because an active market does not exist for such facilities due to their unique and potential inherent restrictions upon use. The depreciated replacement cost was based on a combination of internal records of the historical cost of the facilities, adjusted for contemporary technology and construction approaches, the remaining useful life of the assets, and current condition of the assets.

(c) Additional information for level 3 fair value measurements

(i) Reconciliation of recurring Level 3 fair value measurements of non-financial assets

2020-21	Buildings $'000	Infrastructure $'000	Plant and Equipment $'000	Transport Equipment $'000	Computer Hardware $'000
Fair Value as at 1 July 2020	**20,150**	**15,934**	**1**	**675**	**19**
Additions	-	-	-	246	-
Disposals	-	-	-	(4)	-
Transfer between asset class	-	-	-	-	-
Depreciation and Amortisation	(1,047)	(1,264)		(191)	(15)
Revaluations	-	-	-	10	-
Additions/ (Disposals) from Asset Transfers	450	-	-	-	-
Gains/losses recognised in net surplus/deficit	-	-	-	-	-
Gains/losses recognised in other comprehensive income	-	-	-	-	-
Fair Value as at 30 June 2021	**19,553**	**14,670**	**1**	**736**	**4**

2019-20	Buildings $'000	Infrastructure $'000	Plant and Equipment $'000	Transport Equipment $'000	Computer Hardware $'000
Fair Value as at 1 July 2019	**20,371**	**16,785**	**1**	**5**	**35**
Recognition of right-of-use asset on initial application of AASB 16	-	-	-	309	-
Adjusted fair value as at 1 July 2019	**20,371**	**16,785**	**1**	**314**	**35**
Additions	149	150	-	496	-
Depreciation and Amortisation	(981)	(1,253)	-	(135)	(16)
Gains/losses recognised in other comprehensive income	611	252	-	-	-
Fair Value as at 30 June 2020	**20,150**	**15,934**	**1**	**675**	**19**

(ii) Sensitivity analysis

Unobservable inputs used in computing the fair value of buildings and infrastructure include the historical cost and the consumed economic benefit for each asset. Given the large number of assets, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

23. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised on the balance sheet when the Entity becomes a party to the contractual provisions of the financial instrument. The Entity's financial instruments include cash and deposits; receivables; deposits held, payables, and lease liabilities.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments: Presentation. These include statutory receivables arising from taxes including GST and penalties.

The Territory Wildlife Parks has limited exposure to financial risks as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The NT Government's investments, loans and placements, and borrowings are predominantly managed through the Northern Territory Treasury Corporation (NTTC) adopting strategies to minimise the risk. Derivative financial arrangements are also utilised to manage financial risks inherent in the management of these financial instruments. These arrangements include swaps, forward interest rate agreements and other hedging instruments to manage fluctuations in interest or exchange rates.

(a) Categories of financial instruments

The carrying amounts of the agencies financial assets and liabilities by category are disclosed in the table below:

2020-21	Amortised Cost $'000	Other $'000	Total $'000
Cash and deposits	-	754	754
Receivables [(a)]	65	-	65
Total Financial Assets	**65**	**754**	**819**
Deposits held	84	-	84
Payables [(a)]	5	-	5
Lease liabilities	742	-	742
Total Financial Liabilities	**831**	**-**	**831**

[(a)] Total amounts disclosed here exclude statutory amounts and accrued contract revenue

2019-20	Amortised Cost $'000	Other $'000	Total $'000
Cash and deposits	-	759	759
Receivables [(a)]	8	-	8
Total Financial Assets	**8**	**759**	**767**
Deposits held	103	-	103
Payables [(a)]	15	-	15
Lease liabilities	676	-	676
Total Financial Liabilities	**794**	**-**	**794**

[(a)] Total amounts disclosed here exclude statutory amounts and accrued contract revenue

Categories of financial instruments

The Entity's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost
- Fair Value Other Comprehensive Income (FVOCI)
- Fair Value Through Profit and Loss (FVTPL).

Financial liabilities are classified under the following categories:

- amortised cost
- Fair Value Through Profit and Loss (FVTPL).

These classification are based on the Entity's business model for managing the financial assets and the contractual terms of the cash flows. Where assets are measured at fair value, gains and losses will either be recorded in profit or loss, or other comprehensive income.

Financial instruments are reclassified when and only when the Entity's business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by the Entity to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. The Entity's financial assets categorised at amortised cost include receivables, and advances paid.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets are classified at fair value through other comprehensive income when they are held by the Entity to both collect contractual cash flows and sell the financial assets, and the contractual cash flows are solely payments of principal and interest.

These assets are initially and subsequently recognised at fair value. Changes in the fair value are recognised in other comprehensive income, except for the recognition of impairment gains or losses and interest income which are recognised in the operating result in the comprehensive operating statement. When financial assets are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the comprehensive operating statement.

For equity instruments elected to be categorised at FVOCI, changes in fair value recognised in other comprehensive income are not reclassified to profit or loss on derecognition of the asset. Dividends from such instruments continue to be recognised in the comprehensive operating statement as other income when the Entity's right to receive payments is established.

Territory Wildlife Parks does not have any financial assets under this category.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified at FVTPL where they do not meet the criteria for amortised cost or FVOCI. These assets are initially and subsequently recognised at fair value with gains or losses recognised in the net result for the year.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method.

Territory Wildlife Parks financial liabilities categorised at amortised cost include all accounts payable, deposits held, and lease liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified at FVTPL when the liabilities are either held for trading or designated as FVTPL. Financial liabilities classified at FVTPL are initially and subsequently measured at fair value with gains or losses recognised in the net result for the year.

For financial liabilities designated at FVTPL, changes in the fair value of the liability attributable to changes in the Entity's credit risk are recognised in other comprehensive income, while remaining changes in the fair value are recognised in the net result.

Territory Wildlife Parks does not have any financial liabilities under this category.

Derivatives

The Entity may enter into a variety of derivative financial instruments to manage its exposure to interest rate risk. The Entity does not speculate on trading of derivatives.

Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is recognised in the comprehensive operating statement immediately unless the derivative is designated and qualifies as an effective hedging instrument, in which event, the timing of the recognition in the comprehensive operating statement depends on the nature of the hedge relationship. Application of hedge accounting will only be available where specific designation and effectiveness criteria are satisfied.

Netting of swap transactions

The Entity, from time to time, may facilitate certain structured finance arrangements, where a legally recognised right to set-off financial assets and liabilities exists, and the Territory intends to settle on a net basis. Where these arrangements occur, the revenues and expenses are offset and the net amount is recognised in the comprehensive operating statement.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

Territory Wildlife Parks has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the Entity has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Credit risk relating to receivables is disclosed in Note 11.

(c) Liquidity risk

Liquidity risk is the risk that the Territory Wildlife Parks will not be able to meet its financial obligations as they fall due. The Entity's approach to managing liquidity is to ensure that it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring that minimum levels of cash are held in the Entity bank account to meet various current employee and supplier liabilities. The Entity's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event of one-off extraordinary expenditure items arise that deplete cash to levels that compromise the Entity's ability to meet its financial obligations.

The following tables detail the Entity's remaining contractual maturity for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the balance sheet which are based on discounted cash flows.

2021 Maturity analysis for financial liabilities

2020-21	Carrying amount $'000	Less than a year $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
Deposits held	84	84	-	-	84
Payables	5	5	-	-	5
Lease liabilities	742	197	490	83	770
Total financial liabilities	**831**	**286**	**490**	**83**	**859**

2019-20	Carrying amount $'000	Less than a year $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
Deposits held	103	103	-	-	103
Payables	15	15	-	-	15
Lease liabilities	676	180	521	-	701
Total financial liabilities	**794**	**298**	**521**	**-**	**819**

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

(i) **Interest rate risk**

Territory Wildlife Parks has no exposure to interest rate risk as all financial assets and financial liabilities, with the exception of the cash at bank, Gift Fund and finance leases held, are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and therefore do not expose the Entity to interest rate risk.

(ii) **Sensitivity Analysis**

Interest earned on the Gift Fund is accounted for as both an asset and a liability, therefore changes to the variable rates of 100 basis points (1 percent) at reporting date would have had no effect on Territory Wildlife Parks' profit or loss and equity. Change in the variable rates of 100 basis points (1 per cent) at reporting date on cash at bank would have the following effect on Territory Wildlife Parks' profit or loss and equity.

	Profit or Loss and Equity	
	100 Basis Points Increase $'000	100 Basis Points Decrease $'000
30 June 2021		
Financial Assets – cash at bank	7	(7)
Net Sensitivity	7	(7)
30 June 2020		
Financial Assets – cash at bank	7	(7)
Net Sensitivity	7	(7)

(iii) **Price risk**

Territory Wildlife Parks is not exposed to price risk as it does not hold units in unit trusts.

(iv) **Currency risk**

Territory Wildlife Parks is not exposed to currency risk as the Entity does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

24. RELATED PARTIES

(i) Related parties

The Territory Wildlife Parks is a Government Business Division (GBD) which is wholly owned and controlled by the Territory Government. Related parties of the Entity include:

- the portfolio ministers and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the Territory Wildlife Parks directly
- close family members of the portfolio minister or KMP including spouses, children and dependents
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- any entities controlled or jointly controlled by the KMP's or the portfolio minister, or controlled or jointly controlled by their close family members.

(ii) Key management personnel

Key management personnel of the Territory Wildlife Parks are those persons having authority and responsibility for planning, directing and controlling the activities of the Territory Wildlife Parks. These include the Minister for Parks and Rangers, the Department of Environment, Parks and Water Security's Chief Executive Officer, members of the Governance Board, and the executive leadership of the Territory Wildlife Parks.

(iii) Remuneration of key management personnel

The details below excludes the salaries and other benefits of the Minister for Environment, Parks and Water Security as the Minister's remunerations and allowances are payable by the Legislative Assembly and consequently disclosed within the Treasurer's annual financial statements.

The aggregate compensation of key management personnel of the Territory Wildlife Parks is set out below:

	2021 $'000	2020 $'000
Short-term benefits	243	240
Long-term benefits	-	-
Post-employment benefits	24	26
Termination benefits	-	-
Total	**267**	**266**

(iv) Related party transactions

Transactions with Northern Territory Government controlled entities

Territory Wildlife Parks' primary ongoing source of funding is a Community Service Obligation (CSO) payment received from the Department of Environment, Parks and Water Security.

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government controlled entities.

2020-2021 Related Party	Revenue from related parties 2021 $'000	Payments to related parties 2021 $'000	Amounts owed by related parties 2021 $'000	Amounts owed to related parties 2021 $'000
All NTG Government Entities	7,746	2,218	1	75

2019-2020 Related Party	Revenue from related parties 2020 $'000	Payments to related parties 2020 $'000	Amounts owed by related parties 2020 $'000	Amounts owed to related parties 2020 $'000
All NTG Government Entities	7,705	2,301	1	89

Territory Wildlife Parks has one significant transaction with other government entities which relates to a Community Service Obligation (CSO) payment received from the Department of Environment, Parks and Water Security. The remaining transactions with other government entities are not individually significant.

Other related party transactions

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed. All other related party transactions in excess of $10,000 have been provided in the tables below.

2020-2021 Transaction Type	Transaction value for year ended 30 June 2021 $'000	Net receivable / (payable) as at 30 June 2021 $'000	Commitments as at 30 June 2021 $'000
Services received	-	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current year for bad or doubtful debts in respect of the amounts owed by related parties.

2019-2020 Transaction Type	Transaction value for year ended 30 June 2020 $'000	Net receivable / (payable) as at 30 June 2020 $'000	Commitments as at 30 June 2020 $'000
Services received	29	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense was recognized in the year for bad or doubtful debts in respect of the amounts owed by related parties.

25. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

Territory Wildlife Parks had no contingent liabilities as at 30 June 2021 or 30 June 2020.

(b) Contingent assets

Territory Wildlife Parks had no contingent assets as at 30 June 2021 or 30 June 2020.

26. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

27. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act 1995*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below.

2020-21 Nature of Trust Money	Opening Balance 1 July 2020 $'000	Receipts $'000	Payments $'000	Closing Balance 30 June 2021 $'000
Other money	25	3	(22)	6

28. BUDGETARY INFORMATION

Comprehensive Operating Statement	2020-21 Actual $'000	2020-21 Original Budget [(a)] $'000	Variance $'000	Note
Income				
Grants and subsidies revenue				
Current	759	299	460	
Community Service Obligations	7,676	10,456	(2,780)	1
Sales of goods and services	2,353	2,543	(190)	
Interest revenue	3	18	(15)	
Gain on sale of asset	8	-	8	
Other income	243	-	243	
Total Income	**11,042**	**13,316**	**(2,274)**	
Expenses				
Employee expenses	7,072	6,427	645	2
Administrative expenses				
Property Management	943	1,084	(141)	
Purchase of goods and services	2,209	2,147	62	
Repairs and maintenance	434	3,330	(2,896)	1
Depreciation and amortisation	2,518	2,421	97	
Other administrative expenses	14	11	3	
Interest expenses	11	9	2	
Total Expenses	**13,201**	**15,429**	**(2,228)**	
Income Tax Expense	-	-	-	
Net Deficit	**(2,159)**	**(2,113)**	**(46)**	
Other Comprehensive Income – Net of Income Tax				
Changes in asset revaluation surplus	-	-		
Comprehensive Result	**(2,159)**	**(2,113)**	**(46)**	

(a) Original budget amounts correspond to those disclosed in the NTG Budget 2020-21 BP3 Entity Budget Statements (November 2020), classified on a basis that is consistent with the presentation and classification adopted in these financial statements.

Notes

The following note descriptions relate to variances greater than $0.5 million.

1. $2.78 million of funding for repairs and maintenance was transferred to the Department of Infrastructure, Planning and Logistics for management.
2. Accumulated unfunded wage increases.

Balance Sheet	2020-21 Actual $'000	2020-21 Original Budget[(a)] $'000	Variance $'000	Note
Assets				
Current Assets				
Cash and deposits	754	797	(43)	
Receivables	151	63	88	
Prepayments	24	20	4	
Inventories	40	33	7	
Total Current Assets	**969**	**913**	**56**	
Non-Current Assets				
Property, plant and equipment	34,963	34,457	506	1
Total Non-Current Assets	**34,963**	**34,457**	**506**	
Total Assets	**35,932**	**35,370**	**562**	
Liabilities				
Current Liabilities				
Deposits held	84	103	(19)	
Payables	175	245	(70)	
Borrowings	188	-	188	
Provisions	973	989	(16)	
Total Current Liabilities	**1,420**	**1,337**	**83**	
Non-Current Liabilities				
Borrowings	554	505	49	
Total Non-Current Liabilities	**554**	**505**	**49**	
Total Liabilities	**1,974**	**1,842**	**132**	
Net Assets	**33,958**	**33,528**	**430**	
Equity				
Capital	34,533	34,057	476	
Asset revaluation surplus	38,696	38,696	0	
Accumulated funds	(39,271)	(39,225)	(46)	
Total Equity	**33,958**	**33,528**	**430**	

(a) Original budget amounts correspond to those disclosed in the NTG Budget 2020-21 BP3 Entity Budget Statements (November 2020), classified on a basis that is consistent with the presentation and classification adopted in these financial statements.

Notes

The following note descriptions relate to variances greater than $0.5 million.

1. Increase in property, plant and equipment is a result of new assets being transferred, transferred in completed minor new works, and capital purchases.

Cash Flow Statement	2020-21 Actual $'000	2020-21 Original Budget[(a)] $'000	Variance $'000	Note
Cash Flows from Operating Activities				
Operating Receipts				
Grants and subsidies received				
Current	759	299	460	
Community Service Obligations	7,676	10,456	(2,780)	1
Receipts from sales of goods and services	2,833	2,532	301	
Interest received	3	18	(15)	
Total Operating Receipts	**11,271**	**13,305**	**(2034)**	
Operating Payments				
Payments to employees	(7,113)	(6,427)	(686)	2
Payments for goods and services	(3,953)	(6,561)	2,608	1
Deposits paid	(19)	(9)	(10)	
Total Operating Payments	**(11,085)**	**(12,997)**	**1,912**	
Net Cash From Operating Activities	**186**	**308**	**(122)**	
Cash Flows from Investing Activities				
Investing Receipts				
Proceeds from asset sales	10	-	10	
Total Investing Receipts	**10**	**-**	**10**	
Purchases of assets	-	(99)	99	
Total Investing Payments	**-**	**(99)**	**99**	
Net Cash From/(Used in) Investing Activities	**10**	**(99)**	**109**	
Cash Flows from Financing Activities				
Financing Payments				
Interest paid	(11)	-	(11)	
Finance lease payments	(190)	(171)	(19)	
Total Financing Payments	**(201)**	**(171)**	**(30)**	
Net Cash (Used in) Financing Activities	**(201)**	**(171)**	**(30)**	
Net (decrease) / increase in cash held	(5)	38	(43)	
Cash at beginning of financial year	759	759	0	
Cash at End of Financial Year	**754**	**797**	**(43)**	

(a) Original budget amounts correspond to those disclosed in the NTG Budget 2020-21 BP3 Entity Budget Statements (November 2020), classified on a basis that is consistent with the presentation and classification adopted in these financial statements.

Notes

The following note descriptions relate to variances greater than $0.5 million.

1. Decrease is the result of the transfer of the Territory Wildlife Parks' capital works / repairs and maintenance program to the Department of Infrastructure, Planning and Logistics (DIPL).
2. Accumulated unfunded wage increases.