

ADF SUPER FINANCIAL OVERVIEW 2020–21

Table 50. ADF Super unaudited financial information for 2020–21

	\$'000
Net assets available to pay benefits as at 30 June 2020	474,476
Revenue	
Interest	12
Changes in fair value of investments	109,488
Employer contributions	239,177
Member contributions	5,030
Transfers from other funds	59,811
Government co-contributions	86
Low income superannuation tax offset contributions	869
Other revenue	24
Total revenue	414,497
Administration and other expenses	(2,036)
Insurance premiums paid to insurer	(30)
Benefits and transfers paid and payable	(18,363)
Total expenses ¹	(20,429)
Income tax expense	(35,959)
Net increase in net assets available to pay benefits	358,109
Net assets available to pay benefits as at 30 June 2021	832,585
Assets and liabilities as at 30 June 2021 ²	
Investments ²	831,605
Cash	29,170
Other assets	72
Total assets	860,847
Liabilities	
Benefit payables	(4)
Other payables	(194)
Current tax liabilities	(28,064)
Total liabilities	(28,262)
Net assets available to pay benefits	832,585

¹ Expenses relating to investment management were borne by the underlying investments of the Scheme. Costs other than those incurred in managing and investing Scheme assets are met by CSC and are disclosed as 'other administration expenses' above. Administration fees are paid by customers to cover these costs. As the Scheme is yet to reach the sufficient scale required to cover its total administration costs from the administration fees paid by customers, the Department of Defence has also contributed further administration funding;

² The value of investments shown above reconciles with the total Fund values shown on table 45 on page 43 as follows:

ADF Super options	
Cash	2,749
Income Focused	4,226
MySuper Balanced	742,147
Aggressive	83,060
Assets backing the operational risk reserve	667
Total Fund	832,85
Add/(less)	
Adjustment from unit pricing to financial statements valuation basis	(1,244)
Net assets available to pay benefits	831,605

The assets of ADF Super are invested in the AIT, where they are pooled with the investments of CSC's other schemes. The AIT invests in multiple specialist investment funds and portfolios.

The AIT receives income such as dividends, interest, trust distributions and gains and losses on sale and incurs administration and management expenses including expenses that would otherwise be incurred by ADF Super.

The operating surplus or deficit generated by the AIT is reflected in daily unit prices released by the AIT for its unitholders including ADF Super, and daily ADF Super unit prices based on the AIT unit prices are published on the CSC website. If you would like to see a copy of the ADF Super audited financial statements for this year and the report from the auditor, please refer to our Annual Report to Parliament (which is published and tabled in the Parliament in October) at csc.gov.au, send an email to members@adfsuper.gov.au, call us on **1300 203 3439** or write to ADF Super, Locked Bag 9400, Wollongong DC NSW 2500.

The Scheme holds specific reserves including an operational risk reserve and an administration reserve. The administration reserve was established during 2020-21 financial year. The purpose of the operational risk reserve (ORR) is to provide adequate financial resources to address potential losses arising from an operational risk event (such as the use of an inaccurate unit price to process a transaction that results in losses to the fund or to customers). The operational risk reserve target amount is determined in accordance with CSC's Operational Risk Financial Requirement Strategy, and any accruals to and calls upon the reserve are also managed in accordance with that strategy. The purpose of the administration reserve is to pay for non-recurring expenses of the Scheme relating to legislative change, enhancements to member services, extensions to the product range of the Scheme, changes to achieve operational efficiencies or to enable the Scheme to sustain operations through delays in payments of committed funding. The administration reserve was funded from unallocated interest income held in fund bank accounts on establishment. No further funds will be transferred to the administration reserve, nor will interest accrue to the administration reserve. The use and management of the administration reserve is conducted in accordance with CSC's Administration Reserve Strategy. The total of the reserves as at 30 June for the past three years was \$0.9 million in 2021, \$0.4 million in 2020 and \$0.2 million in 2019.