

**Independent Auditor's Report**  
**National Retirement Benefits Fund**  
**Financial Statements**  
**For the year ended 30 June 2018**

We have audited the financial statements of the National Retirement Benefits Fund (the Fund) on pages 1 to 11, that comprise the statement of net assets available for benefits as at 30 June 2018, the statement of changes in net assets available for benefits, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies.

**Opinion on the financial statements**

In our opinion the financial statements of the Fund on pages 1 to 11:

- comply with generally accepted accounting practice in Tonga as represented by the International Financial Reporting Standards; and
- comply with the National Retirement Benefits Scheme Act 2010 as amended in 2014; and
- give a true and fair view of the fund's:
  - Statement of Net Assets Available For Benefits as at 30 June 2018; and
  - Changes in Net Assets Available For Benefits and Cash Flows for the year ended 30 June 2018.
- based on our examination the Fund kept proper accounting records.

Our audit was completed on 31<sup>st</sup> August 2018. This is the date at which our opinion is expressed.

**Basis of opinion**

We carried out our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We confirm that we have no other relationship with the Fund other than the audit of the financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors and management as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of the Board of Directors and Management

The Board of Directors and Management are responsible for preparing financial statements that:

- comply with generally accepted accounting practice as represented by International Financial Reporting Standards ; and
- comply with the National Retirement Benefits Scheme Act 2010, National Retirement Benefits Scheme (Amendment) Act 2014, National Retirement Benefits Scheme (Administration) Regulations 2012 and the Fund's Financial Policies; and
- give a true and fair view of the Funds's net assets available for benefits, changes in net assets available for benefits and cash flows.

The Management is also responsible for such internal control as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting an applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors' responsibilities arise from the National Retirement Benefits Scheme Act 2010 and National Retirement Benefits Scheme (Amendment) Act 2014.

## Responsibilities of the Auditor

Our responsibility is to express an independent opinion on the financial statements to the Minister of Finance and National Planning of the Government of Tonga in accordance with section 17 of the National Retirement Benefits Scheme Act 2010.



Kisione Tupou  
JK Chartered Accountants  
Nuku'alofa, Tonga