

Independent Auditor's Report

To the shareholders of Freedom Property Fund Limited**Report on the Audit of the Consolidated and Separate Financial Statements****Opinion**

We have audited the consolidated and separate Financial Statements of Freedom Property Fund Limited (the group and company) set out on pages 14 to 89, which comprise the consolidated and separate Statement of Financial Position as at 28 February 2019, and the consolidated and separate Statement of Profit or Loss and Other Comprehensive Income, consolidated and separate Statement of Changes in Equity and consolidated and separate Statement of Cash Flows for the year then ended, and notes to the consolidated and separate Financial Statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate Financial Statements present fairly, in all material respects, the consolidated and separate financial position of Freedom Property Fund Limited as at 28 February 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Impact of the Material Uncertainty related to COVID-19 on Freedom Property Fund Limited's Ability to Continue as a Going Concern

We draw attention to note 40 in the financial statements, which indicates that the group incurred a net loss of R10,751,000 during the year ended 28 February 2019 and as of that date the group's current liabilities exceeded its current assets by R88,938,000. As stated in note 40, COVID-19 affects the group and this may result in certain material uncertainties for the future financial position, performance and cashflows of the group.

We reassessed our risk assessment on going concern and took into account the additional considerations of the impact of the COVID-19 pandemic on the Group when assessing the going concern conclusion. Management's cashflow forecast was challenged by evaluating the reliability of the underlying data generated to prepare the forecast and determining whether there is adequate support for the assumptions underlying the forecast. The group experienced a decrease in rental recoveries from May 2020 and management expects this trend to continue until December 2020. Management further expects an increase in vacancies due to tenants' inability to meet rental obligations. The current economic conditions as a result of the pandemic is also expected to impact the group's strategy of disposing of non-core assets. The directors have concluded that there are material uncertainties that give rise to significant doubt over the Group's ability to continue as a going concern. We further assessed the appropriateness of the disclosures in the financial statements concerning the impact of COVID-19 on the Group's ability to continue as a going concern.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in ***The impact of the material uncertainty related to COVID-19 on Freedom Property Fund Limited's ability to continue as a going concern*** section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of Investment Properties (consolidated)</p> <p>The Group holds commercial and residential investment properties, along with vacant land, to the value of R273,664 million at year-end, including the straight-lining accrual and non-current assets held for sale. The movement in these properties' fair value for the year amounts to R6,2 million.</p> <p>Investment property is measured at their fair values based on valuations obtained from external valuers and the directors. The location, zoning, size, exposure, capitalisation rates and occupancy rates are some of the crucial variables which were considered and applied in the valuation of investment properties.</p> <p>For commercial properties the directors and external valuers have used 3 methods namely, the Net Income Capitalisation Method, the Discounted Cash Flow Method and the Comparable Sales Method in determining the fair value.</p> <p>For residential investment properties the directors and external valuers have used the Comparable Sales Method (2018: Net Income Capitalisation Method) in the valuation of the properties.</p> <p>For vacant land the directors and external valuers have used the Comparable Sales Method in the valuation of the properties.</p> <p>We consider the valuation of investment properties a matter of most significance to the current year's audit due to the significance of the estimates and judgements involved and the inherent sensitivity of data whereby a percentage difference in individual yields could result in a material misstatement.</p>	<p>We have considered whether the valuation methods applied by the directors and external valuers in the valuation of the investment properties, were in line with the criteria prescribed by IFRS. Further consideration was given as to whether the method used is appropriate to those particular properties subject to the valuation, by benchmarking it against valuation methods applied to similar listed property portfolios.</p> <p>In assessing the expertise of the external valuers, we have verified their registration with the South African Council for the Properties Valuers Profession. The considerations surrounding the independence and objectivity of the external valuers were based on the review of the terms of engagement and receipt of a representation from the external valuers' management as to the fee arrangements between the valuers and the group. We found no evidence to suggest that the objectivity of the valuers in their performance of the valuations was compromised.</p> <p>A meeting was held between ourselves and the independent valuers discussing the valuations and the key assumptions used therein. We inspected the valuation reports for all properties valued externally and tested data inputs in the directors' valuations.</p> <p>We assessed the accuracy, reliability and completeness of data inputs which was used in the valuation underpinning the relevant investment property.</p> <p>We reviewed the appropriateness of supporting documentation and performed a sensitivity analysis on the significant assumptions made to evaluate the extent of the impact on the value calculated, should the assumptions change by a small percentage.</p> <p>We further assessed the appropriateness of the disclosures in the financial statements concerning the key assumptions to which the valuations are sensitive to.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled Consolidated and Separate Financial Statements for the year ended 28 February 2019, which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report, the Shareholders Analysis and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate Financial Statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Director for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Cape Town Inc. has been the auditor of Freedom Property Fund Limited for 4 years.

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified reportable irregularities in terms of the Auditing Profession Act. These matters have been reported to the Independent Regulatory Board for Auditors. The matters pertaining to the reportable irregularities have been described in note 39 to the consolidated and separate financial statements.

Moore Cape Town Inc.

**Moore Cape Town Inc.
Chartered Accountants (S.A.)
Registered Auditor**

**Per: Adele Smit
Chartered Accountant (S.A.)
Registered Auditor**

**28 August 2020
Cape Town**