C A P E V I N

H O L D I N G S   L I M I T E D

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

These annual financial statements were compiled by the Company's appointed manager, Remgro Management Services Ltd, under the supervision of the Financial Director, L C Verwey, CA(SA), CFA, and were audited by the Group's external auditor, PricewaterhouseCoopers Inc. These annual financial statements should be read in conjunction with Capevin Holdings Ltd's ("Capevin") annual report, which is available on Capevin's website www.capevin.com or may be requested and obtained in person, at no charge, at the registered office of Capevin Holdings Ltd during office hours.

CAPEVIN HOLDINGS LIMITED
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2014

Contents **Page**

Company information

Directors and their respective appointment dates	C A Otto (Chairman)	22 July 2009
	A E v Z Botha	22 July 2009
	N Celliers	3 September 2012
	J J Durand	24 March 2010
	R M Jansen	2 November 2012
	L C Verwey	28 May 2012
	A Mellet	resigned on 4 November 2013
Registration number	1997/020857/06	
Registered address	Millennia Park 16 Stellentia Avenue Stellenbosch 7600	
Postal address	P O Box 456 Stellenbosch 7599	
Auditor	PricewaterhouseCoopers Inc. Stellenbosch	
Secretary	Remgro Management Services Ltd	

CAPEVIN HOLDINGS LIMITED
REPORT OF THE AUDIT AND RISK COMMITTEE
for the year ended 30 June 2014

The Capevin Holdings Ltd Audit and Risk Committee ("the committee") at the date of this report comprises Messrs R M Jansen (Chairman), A E v Z Botha and C A Otto. All the members are independent non-executive directors. Mr L C Verwey resigned from the committee after being appointed as financial director on 4 November 2013. The committee met as set out below during the past year and the meetings are open for all the directors to attend. The meetings held during the year were attended as follows:

Member	**23 August 2013**	**5 March 2014**
R M Jansen (Chairman at 5 March meeting)	√	√
A E v Z Botha	√	√
N Celliers ^	√	
C A Otto*		√
L C Verwey (Chairman at 23 August meeting) #	√	

√ Present
* Appointed 4 November 2013
^ Resigned 17 October 2013
\# Resigned 4 November 2013

The committee reports that it has considered and is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc. The committee has considered and recommended the fees payable to the external auditor and is satisfied with the extent of non-audit related services performed.

The committee has satisfied itself that the financial function, including the financial director, has the appropriate expertise, experience and resources, and is satisfied that the internal financial controls of the Company are working effectively.

Based on the information and explanations given by management and discussions with the independent external auditor regarding the results of their audit, the committee is satisfied that there was no material breakdown in the internal financial controls during the financial year under review.

A board-approved audit and risk committee charter stipulating, inter alia, the committee's composition, duties and responsibilities, has been adopted. The committee is satisfied that it complied with the responsibilities as set out in the audit and risk committee charter as well as relevant legal and regulatory responsibilities.

The committee has evaluated the standalone and group annual financial statements of Capevin Holdings Ltd for the year ended 30 June 2014 and, based on the information provided to the committee, considers that the Group complies, in all material respects, with the requirements of the Companies Act (No. 71 of 2008), as amended, and International Financial Reporting Standards.

R M Jansen
Chairman

10 September 2014
Stellenbosch

The directors are responsible for the maintenance of adequate accounting records and to prepare annual financial statements that fairly represent the state of affairs and the results of the Group. The external auditor is responsible for independently auditing and reporting on the fair presentation of these annual financial statements. Management fulfils this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal financial controls. Such controls provide assurance that the Group's assets are safeguarded, that transactions are executed in accordance with management's authorisations and that the financial records are reliable. The annual financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and reasonable disclosure. Appropriate and recognised accounting policies are consistently applied.

The Audit and Risk Committee of the Group meets regularly with the external auditor, as well as administrative management, to evaluate matters concerning accounting policies, internal control, auditing and financial reporting. The external auditor has unrestricted access to all records, assets and personnel as well as to the Audit and Risk Committee.

The financial statements are prepared on the going concern basis, since the directors have every reason to believe that the Group has adequate resources to continue for the foreseeable future.

The Group's external auditors, PricewaterhouseCoopers Inc., audited the standalone and group annual financial statements, and their report is presented on page 6.

The financial statements set out on pages 7 to 29 were approved by the board of directors of Capevin Holdings Ltd and are signed on its behalf by:

C A Otto	**L C Verwey**
Chairman	*Financial director*

10 September 2014
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY

for the year ended 30 June 2014

We declare that, to the best of our knowledge, the Company has filed with the Companies and Intellectual Property Commission (CIPC) all such returns and notices as are required of a public company in terms of the Companies Act (No. 71 of 2008), as amended, and that all such returns and notices are true, correct and up to date.

Remgro Management Services Ltd
Company Secretary
(Per Mariza Lubbe)

10 September 2014
Stellenbosch

NATURE OF BUSINESS
The Company is an investment holding company which holds an indirect effective interest of 26.86% (2013: 28.90%) in Distell Group Ltd ("Distell"), which mainly manufactures, distributes and markets wine, spirits and alcoholic fruit beverages.

SHAREHOLDERS
Details regarding the Company's most significant shareholders are set out in note 18 to these annual financial statements.

OPERATING RESULTS
The main asset of the Company is an indirect investment in Distell which is held through its joint venture, Remgro-Capevin Investments (Pty) Ltd. The equity method of accounting is therefore applied in the preparation of these group financial statements.

Shareholders' attention is drawn to the information disclosed in note 14 of these annual financial statements regarding the dilution of the group's interest in Distell.

The financial position and result of operations are fully dealt with in the attached annual financial statements.

Headline earnings per share increased by 42.0% from 34.3 cents per share to 48.7 cents per share. Normalised headline earnings per share, which excludes the Company's share of Distell's abnormal excise and interest provision, the remeasurement of the of the contingent consideration of the acquisition of Burns Stewart Distillers, as well as the acquisition costs of Burns Stewart Distillers in the 2013 financial year, increased by 0.7% from 43.5 cents to 43.8 cents per share.

RECLASSIFICATION OF THE INVESTMENT IN REMGRO-CAPEVIN INVESTMENTS (PTY) LTD
Due to the implementation of IFRS 11 Joint Arrangements, the Group reassessed its contractual rights pertaining to the investment in Remgro-Capevin Investments (Pty) Ltd and concluded that it has joint control over the investment. Consequently, the investment, which was previously classified as an associate, was reclassified as a joint venture. Other than disclosure, the change in classification had no impact on the Group's financial results.

STATED CAPITAL
There were no movements in the Company's stated capital during the year under review.

DIRECTORS
The directors of the Company at the date of this report were:

• C A Otto (Chairman)*^
• A E v Z Botha^
• N Celliers^
• J J Durand*
• R M Jansen^
• L C Verwey

** Also serves on Distell's board of directors*
^ Independent non-executive director

Remgro Management Services Ltd was appointed to replace PSG Corporate Services (Pty) Ltd as Company Secretary of the Company with effect from close of business on 4 November 2013.

Following the change in Company Secretary, Mr L C Verwey replaced Mr A Mellet as Financial Director. Effective from close of business on 4 November 2013, Mr Mellet resigned from the Board of Directors and Mr Verwey's status as director of the Company changed from non-executive director to Financial Director.

Following the appointment of Mr L C Verwey as Financial Director, he no longer served as a member of the Audit and Risk Committee and Mr C A Otto, the independent non-executive chairman was appointed by the Board to fill the vacancy on the Audit and Risk Committee.

In terms of the provisions of the Memorandum of Incorporation, Messrs A E v Z Botha and J J Durand retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' EMOLUMENTS AND INTERESTS
Details are set out in note 13 to these annual financial statements.

DIVIDENDS
An interim dividend of 10.25 cents (2013: 10.0 cents) per share was declared on 5 March 2014 and paid on 14 April 2014.

The final dividend was determined at 12.0 cents (2013: 11.7 cents) per share.

DECLARATION OF CASH DIVIDEND
In terms of the dividend policy of Capevin Holdings, dividends received from its indirect interest in Distell, after providing for administrative expenses, will be distributed to shareholders. The directors have consequently resolved to approve and declare a final gross cash dividend (dividend number 20) of 12.0 cents (2013: 11.7 cents) per share for the year ended 30 June 2014. The dividend has been declared from income reserves.

There are no STC credits available for utilisation. A dividend withholding tax of 15% or 1.8 cents per share will be applicable, resulting in a net dividend of 10.2 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of the applicable double-tax agreement.

The number of issued ordinary shares as at 10 September 2014 is 880 103 265. The Company's income tax number is 9599/656/71/8.

Payment
The final dividend is payable on Monday, 6 October 2014, to shareholders of the Company registered at the close of business on Friday, 3 October 2014.

Share certificates may not be dematerialised or rematerialised between Monday, 29 September 2014, and Friday, 3 October 2014, both days inclusive. In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques will no longer be mailed. If you have in the past received dividend cheques, please contact the Transfer Secretaries to provide them with confirmation of your banking details. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for pay out.

EVENTS AFTER THE REPORTING DATE
The directors are unaware of any other matter or event which is material to the financial affairs of the Company that have occurred between the reporting date and the date of approval of these annual financial statements. Refer to note 17 of the notes to the consolidated financial statements for details of an event after the reporting date that was reported by Distell.

SECRETARY
The secretary of the Company is Remgro Management Services Ltd. Its business and postal addresses are set out below:

Business address	**Postal address**
Millennia Park	P O Box 456
16 Stellentia Avenue	Stellenbosch
Stellenbosch	7599
7600	

REPORT OF THE INDEPENDENT AUDITOR

to the shareholders of Capevin Holdings Ltd
for the year ended 30 June 2014

We have audited the consolidated and separate financial statements of Capevin Holdings Limited set out on pages 7 to 29, which comprise the statements of financial position as at 30 June 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements
The Company's directors are responsible for the preparation and fair presentation of these 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.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Capevin Holdings Limited as at 30 June 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act
As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2014, we have read the Directors' Report, the Report of the Audit and Risk Committee, and the Declaration by the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: NH Döman
Registered Auditor

10 September 2014
Stellenbosch

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF FINANCIAL POSITION
as at 30 June 2014

	Notes	GROUP			COMPANY	
			Restated	Restated		Restated
		2014	2013	2012	**2014**	2013
		R'000	R'000	R'000	**R'000**	R'000
ASSETS						
Non-current assets		**2 303 459**	2 094 567	1 794 190	**2 622 991**	2 621 441
Investment in subsidiary	**2**	**-**	-	-	**-**	-
Investment in joint venture	**3**	**2 301 659**	2 094 317	1 793 940	**2 621 191**	2 621 191
Available-for-sale asset	**4**	**1 800**	250	250	**1 800**	250
Current assets		**6 626**	2 641	3 445	**6 626**	2 641
Investment in money market fund	**15**	**4 314**	-	-	**4 312**	-
Cash and cash equivalents	**5**	**2 312**	2 641	3 445	**2 312**	2 641
Total assets		**2 310 085**	2 097 208	1 797 635	**2 629 617**	2 624 082
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent						
Stated capital	**6**	**2 492 046**	2 492 046	7 011	**2 492 046**	2 492 046
Retained earnings		**16 639**	11 784	10 689	**131 446**	126 591
Other reserves		**(2 462 872)**	(2 464 134)	250	**1 512**	250
Equity reserve		**2 259 659**	2 052 317	893 241	**-**	-
		2 305 472	2 092 013	911 191	**2 625 004**	
Non-controlling interest		**-**	-	879 328	**-**	-
Total equity		**2 305 472**	2 092 013	1 790 519	**2 625 004**	2 618 887
Non-current liabilities						
Deferred taxation	**7**	**335**	47	47	**335**	47
Current liabilities		**4 278**	5 148	7 069	**4 278**	5 148
Trade payables		**335**	606	2 769	**335**	606
Unclaimed dividends		**3 912**	4 037	4 245	**3 912**	4 037
Current income tax liability		**31**	505	55	**31**	505
Total liabilities		**4 613**	5 195	7 116	**4 613**	5 195
Total equity and liabilities		**2 310 085**	2 097 208	1 797 635	**2 629 617**	2 624 082

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	GROUP 2014 R'000	GROUP Restated 2013 R'000	COMPANY 2014 R'000	COMPANY 2013 R'000
Share of profit of joint venture		**431 121**	314 879	**-**	-
(Loss)/gain on dilution of interest in joint venture	**14**	**(158 921)**	2 649	**-**	-
Investment income	**8**	**596**	527	**198 327**	179 033
Administrative expenses	**9**	**(2 176)**	(2 476)	**(2 176)**	(2 459)
Profit before taxation		**270 620**	315 579	**196 151**	176 574
Taxation	**10**	**1 121**	(3 335)	**1 121**	(3 388)
Profit for the year		**271 741**	312 244	**197 272**	173 186
Other comprehensive income		**134 135**	161 218	**1 262**	-
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment – available-for-sale asset		**1 550**	-	**1 550**	-
Tax charge relating to available-for-sale asset		**(288)**	-	**(288)**	-
Share of other comprehensive income of joint venture					
Fair value adjustment – available-for-sale asset		**3 137**	2 396	**-**	-
Currency translation differences		**133 524**	84 568	**-**	-
Reclassified to profit or loss		**(13 987)**	-	**-**	-
Items that will not be reclassified to profit or loss:					
Actuarial gains and losses of joint venture		**922**	68 839	**-**	-
Other equity movements of joint venture		**9 277**	5 415	**-**	-
Total comprehensive income for the year		**405 876**	473 462	**198 534**	173 186
Profit attributable to:					
Owners of the parent		**271 741**	289 843		
Non-controlling interest		**-**	22 401		
		271 741	312 244		
Total comprehensive income attributable to:					
Owners of the parent		**405 876**	452 717		
Non-controlling interest		**-**	20 745		
		405 876	473 462		
Earnings per share (cents)	**12**				
- Basic		**30.9**	35.0		
- Diluted		**28.3**	31.8		

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CHANGES IN EQUITY
for the year ended 30 June 2014

	Stated capital R'000	Retained earnings R'000	Equity reserve R'000	Other reserves R'000	Non-controlling interest R'000	Total R'000
GROUP						
Balance at 30 June 2012 - as previously reported	7 011	10 689	893 748	250	879 328	1 791 026
Effect of changes in accounting policy	-	-	(507)	-	-	(507)
	7 011	10 689	893 241	250	879 328	1 790 519
Profit for the year		289 843	-	-	22 401	312 244
Other comprehensive income, net of tax	-	-	162 874	-	(1 656)	161 218
Share of other comprehensive income/(loss) of joint venture	-	-	157 459	-	(1 656)	155 803
Other equity movements of joint venture	-	-	5 415		-	5 415
Total comprehensive income	-	289 843	162 874	-	20 745	473 462
Transactions with owners	2 485 035	(288 748)	996 202	(2 464 384)	(900 073)	(171 968)
Ordinary shares issued	2 485 035	-	-	-	-	2 485 035
Transactions with non-controlling interest	-	-	879 422	(2 464 384)	(900 073)	(2 485 035)
Net transfer between reserves	-	(116 780)	116 780	-	-	-
Unclaimed dividends written back	-	1 412	-	-	-	1 412
Dividends paid	-	(173 380)	-	-	-	(173 380)
Balance at 30 June 2013 - restated	2 492 046	11 784	2 052 317	(2 464 134)	-	2 092 013
Profit for the year	**-**	**271 741**	**-**	**-**	**-**	**271 741**
Other comprehensive income, net of tax	**-**	**-**	**132 873**	**1 262**	**-**	**134 135**
Fair value adjustment – available-for-sale asset	**-**	**-**	**-**	**1 262**	**-**	**1 262**
Reclassified to profit or loss	**-**	**-**	**(13 987)**	**-**	**-**	**(13 987)**
Share of other comprehensive income of joint venture	**-**	**-**	**137 583**	**-**	**-**	**137 583**
Other equity movements of joint venture	**-**	**-**	**9 277**	**-**	**-**	**9 277**
Total comprehensive income	**-**	**271 741**	**132 873**	**1 262**	**-**	**405 876**
Transactions with owners	**-**	**(266 886)**	**74 469**	**-**	**-**	**(192 417)**
Net transfer between reserves	**-**	**(74 469)**	**74 469**	**-**	**-**	**-**
Unclaimed dividends written back	**-**	**907**	**-**	**-**	**-**	**907**
Dividends paid	**-**	**(193 324)**	**-**	**-**	**-**	**(193 324)**
Balance at 30 June 2014	**2 492 046**	**16 639**	**2 259 659**	**(2 462 872)**	**-**	**2 305 472**

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CHANGES IN EQUITY (continued)
for the year ended 30 June 2014

	Stated capital R'000	Retained earnings R'000	Other reserves R'000	Total R'000
COMPANY				
Balance at 30 June 2012	7 011	125 375	250	132 636
Total comprehensive income	-	173 186	-	173 186
Profit for the year	-	173 186	-	173 186
Other comprehensive income, net of tax	-	-	-	-
Transactions with owners	2 485 035	(171 970)	-	2 313 065
Shares issued	2 485 035	-	-	2 485 035
Unclaimed dividends written back	-	1 410	-	1 410
Dividends paid	-	(173 380)	-	(173 380)
Balance at 30 June 2013	2 492 046	126 591	250	2 618 887
Total comprehensive income	**-**	**197 272**	**1 262**	**198 534**
Profit for the year	**-**	**197 272**	**-**	**197 272**
Other comprehensive income, net of tax	**-**	**-**	**1 262**	**1 262**
Transactions with owners	**-**	**(192 417)**	**-**	**(192 417)**
Shares issued	**-**	**-**	**-**	**-**
Unclaimed dividends written back	**-**	**907**	**-**	**907**
Dividends paid	**-**	**(193 324)**	**-**	**(193 324)**
Balance at 30 June 2014	**2 492 046**	**131 446**	**1 512**	**2 625 004**

Dividend per share

Interim: 10.25 cents (2013: 10.0 cents) - declared 5 March 2014 and paid 14 April 2014

Final: 12.0 cents (2013: 11.7 cents) - declared 10 September 2014 and payable 6 October 2014

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CASH FLOWS
for the year ended 30 June 2014

		GROUP		COMPANY	
		2014	2013	**2014**	2013
	Notes	**R'000**	R'000	**R'000**	R'000
Cash flows from operating activities					
Dividends received	**11.1**	**197 740**	178 377	**197 740**	178 524
Dividends paid		**(193 324)**	(173 380)	**(193 324)**	(173 380)
Interest received		**587**	519	**587**	509
Administrative expenses	**9**	**(2 176)**	(2 476)	**(2 176)**	(2 459)
Taxation refunded/(paid)	**11.2**	**647**	(2 885)	**647**	(2 916)
Increase/(decrease) in trade and other payables and unclaimed dividends		**511**	(959)	**511**	142
		3 985	(804)	**3 985**	420
Cash flows from investing activities					
Investment in money market fund		**(4 314)**	-	**(4 314)**	-
Net increase/(decrease) in cash and cash equivalents		**(329)**	(804)	**(329)**	420
Cash and cash equivalents at beginning of the year		**2 641**	3 445	**2 641**	2 221
Cash and cash equivalents at end of the year	**5**	**2 312**	2 641	**2 312**	2 641

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented.

1.1 BASIS OF PREPARATION

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS, the requirements of the Companies Act (No. 71 of 2008), as amended, the Listings Requirements of the JSE Limited and SAICA Financial Reporting Guides.

These financial statements incorporate accounting policies are consistent with those applied in the previous period, with the exception of the implementation of IFRS 11 Joint Arrangements and the amendments to IAS 19 Employee Benefits. The adoption of IFRS 11 and the revised IAS 19 required a restatement of the comparative results as set out in note 19. During the year under review various other new and revised accounting standards (including amongst others IFRS 10 Consolidated financial statements, IFRS 12 Disclosures of interests in other entities and IFRS 13 Fair value measurement) became effective, but their implementation only affected disclosure and had no impact on the results of either the current or prior periods.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Management has made no significant estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. However, critical estimates and judgments are applicable to Distell’s results (refer note 1.2).

Economic interest financial statements

As Capevin Holdings Ltd does not have any investments in subsidiaries as of 2013, but only an investment in a joint venture, the Company prepares 'economic interest' financial statements in which its investment is equity accounted. These 'economic interest' financial statements are referred to as 'Group'.

1.2 BASIS OF CONSOLIDATION

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

1. ACCOUNTING POLICIES (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries were changed where necessary to ensure consistency with the policies adopted by the Group.

Investment in subsidiaries in the Company financials are carried at cost less provision for impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Transactions with non-controlling interests
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries and joint ventures
When the Group ceases to have control or joint control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Equity accounting – joint ventures
Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. Capevin Holdings has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in joint ventures are recognised in profit or loss.

Where equity securities are transferred to investment in joint ventures upon gaining significant influence ("step acquisition") or joint control, respectively, the investment is transferred at its fair value with the resulting gain or loss, as well as any acquisition-related costs, recognised in profit or loss. Goodwill is calculated at each stage of step acquisitions. If the ownership interest in a joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1. ACCOUNTING POLICIES (continued)

After applying the equity method, investments in joint ventures are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Investments in joint ventures are carried at cost less accumulated impairment losses in the Company's financial statements.

Interest-free loans to joint ventures with no specific terms of repayment are considered to be a capital contribution to the joint venture and are included in the carrying amount of the investment.

Significant accounting policy of the joint venture
a) Inventories
Net realisable value is the estimated selling price in the ordinary course of business, less the applicable costs of completion and selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges purchases of raw materials.

Significant estimates and judgements of the joint venture
The results of the joint venture, which are equity accounted in the group's financial statements, includes some significant estimates and judgements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the joint venture's financial statements are the following:

a) Estimated impairment of goodwill and intangible assets
Distell tests annually whether goodwill and the intangible assets with indefinite useful lives have suffered any impairment. The recoverable amounts of cash-generating units are determined as being the higher of the value-in-use or fair value less costs to sell.

b) Income taxes
Distell is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Distell recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax assets and liabilities in the period in which such determination is made.

c) Retirement benefits
The present value of the pension obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

Distell determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the pension obligations. In determining the appropriate discount rate, Distell considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

d) Biological assets
Distelll owns bearer biological assets in the form of grapevines and certain assumptions and estimates are used to calculate the fair value of grapevines.

e) Impairment of available-for-sale financial assets
Distell follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-

1. ACCOUNTING POLICIES (continued)

term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow.

f) Business combinations
Where the Distell acquires control of another business, the consideration transferred has to be allocated to the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquired business, with any residual recorded as goodwill. This process involves management making an assessment of the fair value of these items. Management's judgement is particularly involved in the recognition and measurement of the following items:

- Intellectual property. This include patents, licences, trademarks and similar rights for currently marketed products
- Contingencies such as legal and environmental matters
- The recoverability of any accumulated tax losses previously incurred by the acquired company.

In all cases management makes an assessment based on the underlying economic substance of the items concerned, and not only on the contractual terms, in order to fairly present these items.

g) Property, plant and equipment
It is necessary for Distell to make use of judgement when determining the useful life of the property, plant and equipment.

h) Consolidation of entities were the Group holds less than 50%
Distell is one of the two largest shareholders in Mirma Products Proprietary Limited with a 45% equity interest. The Group buys more than 98% of the total product produced by Mirma Products. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the group's shareholding, as well as the business model of Mirma Products Proprietary Limited, management have concluded that the Group has sufficiently dominant interest to have the power to direct the relevant activities of the entity.

1.3 FINANCIAL ASSETS

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group deposits money with financial institutions. They are included in current assets, except for maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables in the statement of financial position consist of cash and cash equivalents, and are measured at amortised cost using the effective interest method, less provision for impairment. Interest on loans and receivables, calculated using the effective interest method is recognised in profit or loss as part of investment income.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of them within twelve months of the reporting date.

Recognition and measurement of financial assets

Purchases and sales of financial assets are recognised on trade date (the date on which the Group commits to purchase or sell the asset). Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in other

1. ACCOUNTING POLICIES (continued)

comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from investment activities.

Dividends on available-for-sale equity instruments are recognised in profit or loss as part of investment income when the Group's right to receive payment is established.

The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices. The fair value of the financial instruments that are not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risk existing at reporting date, including independent appraisals and discounted cash flow methods. Fair values represent an approximation of possible value, which may differ from the value that will finally be realised.

Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through profit or loss.

Loans and receivables are considered impaired if, and only if, there is objective evidence of impairment as a result of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets' estimated future cash flows that can be reliably measured. Objective evidence that loans and advances may be impaired, includes breach of contract, such as a default or delinquency in interest or principal payments. In this regard instalments past due date are considered in breach of contract. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Impairment losses are recognised in profit or loss, and reversed through profit or loss.

1.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash held at call with banks and other short-term highly liquid investments with maturities of three months or less. Investments in money market funds are classified as cash equivalents, since these funds are held to meet short-term cash requirements, are highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.5 STATED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of any tax, from the proceeds.

1.6 RESERVES

Equity reserve

Following the scheme of arrangement as detailed in note 16 to the annual financial statements, the equity reserve comprises the Group's share of joint ventures' post-acquisition reserves. In the prior year the equity reserve excluded non-controlling interests.

Other reserves

Transactions with non-controlling interest reserve

The reserve comprises the difference between the proceeds from shares issued and the carrying value of non-controlling interest acquired in light of the scheme of arrangement set out in note 16.

1. ACCOUNTING POLICIES (continued)

Available-for-sale reserve
Gains and losses from changes in the fair value of available-for-sale investments are recognised in other comprehensive income until the financial asset is disposed of.

1.7 FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities are classied as current if it is payable within twelve months after the reporting date.

Trade payables and unclaimed dividends
Trade payables and unclaimed dividends are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.8 TAXATION

Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group's subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint ventures, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Dividend withholding tax
Dividend withholding tax is not levied on the Company but on the beneficial owner of the share and accordingly does not require recognition in profit or loss. Dividends tax withheld by the Company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Service (where applicable) is included in trade and other payables in the statement of financial position.

1. ACCOUNTING POLICIES (continued)

1.9 REVENUE RECOGNITION
Interest income is recognised according to the effective-interest method and dividends are recognised when the right to receive payment is established.

1.10 DIVIDEND DISTRIBUTION
Dividend distribution to the Company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

1.11 STATEMENT OF CASH FLOWS
The statement of cash flows is prepared using the indirect method.

1.12 SEGMENT REPORT
Capevin Holdings Ltd is an investment holding Company with its only significant investment being an effective interest in Distell Group Ltd. The directors have not identified any other segment to report on.

1.13 OFFSETTING FINANCIAL INSTRUMENTS
Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.14 CHANGES IN INTERNATIONAL FINANCIAL REPORTING STANDARDS
Standards, interpretations and amendments to published standards that are effective for the first time in 2014 and relevant to the Group's operations

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- Amendments to IAS 19 Employee Benefits
- Amendments to IAS 27 Consolidated and Separate Financial Statements
- Amendments to IAS 28 Investments in Associates
- Annual improvement project 2011

Standards, interpretations and amendments to published standards that became effective for the first time in 2014 and not currently relevant to the Group's operations

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards
- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

Standards, interpretations and amendments to published standards that are not yet effective

- IFRS 9 Financial Instruments
  (effective date – financial periods commencing on/after 1 January 2018)
- IFRS 14 Regulatory deferral accounts
  (effective date – financial periods commencing on/after 1 January 2016)
- IFRS 15 Revenue from contracts with customers
  (effective date – financial periods commencing on/after 1 January 2017)
- Amendments to IFRS 10 Consolidated Financial Statements
  (effective date – financial periods commencing on/after 1 January 2014)
- Amendments to IFRS 11 Joint arrangements

1. ACCOUNTING POLICIES (continued)

(effective date – financial periods commencing on/after 1 January 2016)

- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities
(effective date – financial periods commencing on/after 1 January 2014)
- Amendments to IAS 16 and IAS 38 - Clarification of acceptable methods of depreciation and amortisation
(effective date – financial periods commencing on/after 1 January 2016)
- Amendment to IAS 19 Employee Benefits
(effective date – financial periods commencing on/after 1 July 2014)
- Amendments to IAS 32 Financial Instruments: Presentation and IFRS 7: Financial Instruments: Disclosure (Offsetting Financial Assets and Financial Liabilities)
(effective date – financial periods commencing on/after 1 January 2014)
- Amendment to IAS 36 - Recoverable amount disclosures for non-financial assets
(effective date – financial periods commencing on/after 1 January 2014)
- Amendment to IAS 39 - Novation of derivatives and continuation of hedge accounting
(effective date – financial periods commencing on/after 1 January 2014)
- Annual Improvements 2010-12 and 2011-13
(effective date – financial periods commencing on/after 1 July 2014)
- IFRIC 21 Levies
(effective date – financial periods commencing on/after 1 January 2014)
- Amendment to IAS 27 – Equity method in separate financial statements
(effective date – financial periods commencing on/after 1 January 2016)
- Amendments to IAS 16 and IAS 41 - Agriculture: Bearer plants
(effective date – financial periods commencing on/after 1 January 2016)

Management has assessed the impact of these amendments on the reported results of the Group and Company and, except for the amendment to IAS 27 – Equity method in separate financial statements, foresee only minor disclosure changes. The Company may consider adopting amendment to IAS 27 – Equity method in separate financial statements as this will result in the company's financial statements representing the current economic interest financial statements presented as the Group's results.

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R'000	R'000	**R'000**	R'000
2. INVESTMENT IN SUBSIDIARY				
Investment in previously JSE-listed Capevin Investments Ltd			**-**	-
Balance at beginning of the year			**-**	136 156
Ordinary shares issued			**-**	2 485 035
Transfer to investment in joint venture			**-**	(2 621 191)

Following the implementation of the scheme of arrangement set out in note 16, the Company only retained an investment in a joint venture, however with the same underlying economic interest.

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R'000	R'000	**R'000**	R'000
3. INVESTMENT IN JOINT VENTURE				
Unlisted investment in Remgro-Capevin Investments (Pty) Ltd - at cost	**42 000**	42 000	**2 621 191**	2 621 191
The Group's investment comprises 50 ordinary shares of R1 each and an unsecured, interest-free loan with no specific terms of repayment. The investment ultimately represents a shareholding of 26.86% (2013: 28.90%) in Distell Group Ltd.				
Interest in post-acquisition reserves	**2 259 659**	2 052 317		
Restated balance at the beginning of the year	**2 052 317**	1 751 940		
Share of profit of joint venture	**431 120**	314 879		
Dividend received	**(197 731)**	(178 369)		
(Loss)/Gain on dilution of interest in joint venture	**(158 921)**	2 649		
Other comprehensive income	**132 874**	161 218		
Carrying value	**2 301 659**	2 094 317	**2 621 191**	2 621 191

3. INVESTMENT IN JOINT VENTURE (continued)

Summarised statement of financial position

Set out below is Distell's summarised financial information, as well as a reconciliation of that information to the carrying amount of Remgro-Capevin Investments (which houses the investment).

	GROUP 2014 R'000	GROUP 2013 R'000	COMPANY 2014 R'000	COMPANY 2013 R'000
Summarised statement of comprehensive income				
Revenue	**17 739 609**	15 725 608		
Depreciation and amortisation	**256 425**	207 357		
Interest income	**15 082**	21 707		
Interest expense	**(232 709)**	(261 434)		
Profit before tax	**2 042 111**	1 595 540		
Taxation	**(517 846)**	(512 409)		
Profit after tax	**1 524 265**	1 083 131		
Attributable to non-controlling shareholders	**(961)**	5 203		
Attributable profit for the year	**1 523 304**	1 088 334		
Other comprehensive income attributable to shareholders	**473 988**	536 596		
Total comprehensive income attributable to shareholders	**1 997 292**	1 624 930		
Headline earnings	**1 513 883**	1 078 078		
Non-current assets	**6 638 881**	5 794 158		
Cash and cash equivalents	**451 611**	355 575		
Other current assets	**8 769 241**	8 069 832		
Total assets	**15 859 733**	14 219 565		
Non-controlling interest	**(31 532)**	(30 650)		
Non-current financial liabilities	**(3 114 090)**	(447 143)		
Other non-current liabilities	**(609 397)**	(501 830)		
Current financial liabilities (excluding trade and other payables and provisions)	**(761 761)**	(2 786 771)		
Other current liabilities	**(2 773 330)**	(3 206 286)		
Net assets	**8 569 623**	7 246 885		
Reconciliation to carrying value				
Capevin Holdings' effective interest	**26.86%**	28.90%		
Capevin Holdings' effective interest in net assets	**2 301 659**	2 094 317		
Carrying value at 30 June	**2 301 659**	2 094 317		
Fair value of investment based on the JSE Ltd closing price on 30 June	**8 214 360**	7 154 708		

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R'000	R'000	**R'000**	R'000
4. AVAILABLE-FOR-SALE ASSET				
Unlisted investments - Historical Homes of South Africa Ltd	**1 800**	250	**1 800**	250
Balance at the beginning of the year	**250**	250	**250**	250
Fair value adjustment for the year	**1 550**	-	**1 550**	-
Balance at the end of the year	**1 800**	250	**1 800**	250

The investment is fair valued using non-observable inputs and is accordingly classified as a level 3 asset.

5. CASH AND CASH EQUIVALENTS				
Cash at bank	**2 312**	2 641	**2 312**	2 641

The carrying amount of cash and cash equivalents approximates the fair value thereof.

6. STATED CAPITAL

Authorised

2 000 000 000 ordinary shares of no par value

Issued				
880 103 265 ordinary shares of no par value	**2 492 046**	2 492 046	**2 492 046**	2 492 046

7. DEFERRED TAXATION				
The movements on the deferred income tax account were as follows:				
Balance at beginning of the year	**47**	47	**47**	47
Accounted for in other comprehensive income	**288**	-	**288**	-
	335	47	**335**	47
The analysis of deferred tax assets is as follows:				
Revaluation of available-for-sale asset	**335**	47	**335**	47

Deferred tax on available for sale assets are provided using the capital gains tax rate. Deferred taxation is provided at a rate of 0% on temporary differences relating to the investment in the joint venture as the investment is expected to be recovered through dividends, which is exempt from taxation.

8. INVESTMENT INCOME				
Dividend income				
Dividends received from Remgro-Capevin Investments (Pty) Ltd	**-**	-	**197 731**	178 369
Capevin Investments liquidation distribution	**-**	-	**-**	147
Dividends received from available-for-sale financial asset	**9**	8	**9**	8
Interest income				
Cash and cash equivalents	**587**	519	**587**	509
	596	527	**198 327**	179 033

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R'000	R'000	**R'000**	R'000
9. ADMINISTRATIVE EXPENSES				
Auditor's remuneration (audit services)	**164**	125	**164**	148
Current year	**153**	125	**153**	125
Prior year under-provision	**11**	-	**11**	23
Directors' emoluments	**108**	20	**108**	20
Professional fees	**116**	633	**116**	633
Other administrative expenses	**1 788**	1 698	**1 788**	1 658
	2 176	2 476	**2 176**	2 459
10. TAXATION				
South Africa normal tax				
Current year	**164**	90	**164**	143
Prior year over provision	**(1 285)**	-	**(1 285)**	-
Prior year under provision	**-**	3 245	**-**	3 245
	(1 121)	3 335	**(1 121)**	3 388
Tax rate reconciliation:	**%**	%	**%**	%
Standard rate for companies	**28.00**	28.00	**28.00**	28.00
Share of profit of joint venture	**(28.16)**	(28.17)	**-**	-
Exempt dividend income	**-**	-	**(28.22)**	(28.29)
Non-deductible expenses	**0.22**	0.21	**0.30**	0.37
Prior year (over)/under provision	**(0.47)**	1.02	**(0.65)**	1.84
Effective tax rate	**(0.41)**	1.06	**(0.57)**	1.92
11. CASH FLOW INFORMATION				
11.1 DIVIDENDS RECEIVED				
Dividends accounted for in investment income	**9**	8	**197 740**	178 524
Dividends from joint venture set off against investment	**197 731**	178 369	**-**	-
	197 740	178 377	**197 740**	178 524
11.2 TAXATION PAID				
Unpaid at the beginning of the year	**505**	55	**505**	33
Per profit or loss	**(1 121)**	3 335	**(1 121)**	3 388
Unpaid at end of the year	**(31)**	(505)	**(31)**	(505)
	(647)	2 885	**(647)**	2 916

	GROUP	
		Restated
	2014	2013
	R'000	R'000
12. EARNINGS PER SHARE		
The calculation of earnings per share is based on the following:		
Earnings attributable to ordinary shareholders	**271 741**	289 843
Headline earnings adjustable items		
Share of adjustments of joint venture before taxation	**(2 913)**	(3 135)
Tax on share of adjustments of joint venture	**538**	130
Loss/(gain) on dilution of interest in joint venture	**158 921**	(2 649)
Headline earnings	**428 287**	284 189
Abnormal excise provision, net of taxation	**3 014**	46 700
Impact of new business acquisition	**-**	29 717
Remeasurement of contingent consideration	**(45 959)**	-
Normalised headline earnings	**385 342**	360 606

Normalised headline earnings excludes the Company's share of Distell's abnormal excise and interest provision, the remeasurement of the contingent consideration of the acquisition of Burns Stewart Distillers, as well as the acquisition costs of Burns Stewart Distillers in the 2013 financial year.

Weighted number of shares in issue ('000)	**880 103**	829 189
Earnings per share (cents)		
- Basic	**30.9**	35.0
- Diluted	**28.3**	31.8
Headline earnings per share (cents)		
- Basic	**48.7**	34.3
- Diluted	**46.1**	31.2
Normalised headline earnings per share (cents)		
- Basic	**43.8**	43.5
- Diluted	**41.2**	40.4

The weighted number of shares was used to determine all basic and diluted per share earnings measures.

Distell has a management share incentive scheme and a black economic empowerment scheme in place in terms of which shares will be delivered to scheme participants. As the fair value of the shares at the date of delivery will differ from the offer value, the number of shares represented by the difference will be regarded as an issue of ordinary shares for no consideration. Accordingly, the issue of these shares will have a dilutive effect on the Company's earnings. To calculate the Company's diluted per share earnings measures, the following amounts were off-set against the respective basic earnings number to account for the potential dilutive effect:

Earnings (R'000)	**22 984**	25 968
Headline earnings (R'000)	**22 909**	25 662
Normalised headline earnings(R'000)	**22 909**	25 662

13. RELATED PARTY TRANSACTIONS

During the year the Group received dividends from Remgro-Capevin Investments (Pty) Ltd (a joint venture) of R198 327 000 (2013: R178 369 000), and the Group paid administrative fees of R100 000 (2012: R810 000) and a sponsor fee of R9 000 (2013: R33 000) to PSG Corporate Services (Pty) Ltd, as well as professional fees of R43 000 to PSG Capital (Pty) Ltd (subsidiaries of an investor with significant influence over the Group at the time of the expenses being incurred). The Group also paid administrative fees of R810 000 to Remgro Management Services Ltd (a subsidiary of an investor with significant influence over the Group).

Directors' emoluments

During the year, Mr C A Otto received directors' fees of R26 875 (2013: RNil), Messrs A EvZ Botha and R M Jansen each received directors' fees of R32 250 (2013: R10 000), and Mr N Celliers received R10 750 (2013: RNil).

Directors' interests

Mr C A Otto holds an indirect, non-beneficial interest in 21 000 (2013: 21 000) of the Company's ordinary shares.

On 4 November 2013, when Mr A Mellet resigned as a director of the Company, he held 8 000 (2013: 8 000) ordinary shares, his indirect beneficial holding was 42 000 (2013: 42 000) and his indirect non-beneficial holding was 563 800 (2013: 557 800) ordinary shares in the Company.

There has been no change in the interests of the directors in the securities of the Company from the reporting date up to the approval of the annual financial statements.

14. BLACK ECONOMIC EMPOWERMENT (BEE) AND DILUTION OF INTEREST IN JOINT VENTURE

On 17 January 2014 Distell issued 15.0 million shares (net of treasury shares) in terms of its restructured BEE transaction. Due to this transaction, Capevin Holdings' interest in Distell diluted from 28.90% to 26.86% and a loss of R158.9 million was realised. This loss is net of a credit amount of R13.987 million of items that were previously recognised in other comprehensive income that was reclassified to profit or loss.

15. FINANCIAL RISK MANAGEMENT

The financial instruments in the statement of financial position are limited to available-for-sale financial assets, cash and cash equivalents, trade payables and unclaimed dividends.

Cash and cash equivalents are classified as loans and receivables and trade payables and unclaimed dividends are classified as liabilities measured at amortised cost.

The Group and Company's operations expose it to negligible levels of credit, interest rate and price risk, and no currency risk.

Credit risk relates to bank balances held with financial institutions. The risk is limited as a result of the high credit rating (Baa2) of the financial institutions.

Interest rate risk relates only to the bank balances and any change in interest rates will not have a significant effect on the Group and Company's results.

Price risk relates only to the investment in Historical Homes of South Africa Ltd and the investment in money market fund. Any change in the investments' fair value is expected to have a negligible effect on the Group and Company's results.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Group and Company's financial liabilities are all payable within twelve months from the reporting date.

Fair value measurements
The following methods and assumptions are used to determine the fair value of each class of financial instruments:

Financial instruments available-for-sale and investment in money market funds: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being the actual net asset value of the investment.

Financial instruments measured at fair value, are disclosed by level of the following fair value hierarchy:
Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables illustrate the fair values of financial assets and liabilities that are measured at fair value, by hierarchy level:

30 June 2014	*Level 1* R'000	*Level 2* R'000	*Level 3* R'000	Total R'000
Assets				
Available-for-sale asset	**-**	**-**	**1 800**	**1 800**
Investment in money market funds	**4 314**	**-**	**-**	**4 314**
	4 314	**-**	**1 800**	**6 114**
30 June 2013				
Assets				
Available-for-sale asset	-	-	250	250
	-	-	250	250

Capital risk management
The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders. The Group's dividend policy is to declare and pay dividends according to its free cash flow model, i.e. dividends and interest received less administrative expenses and taxation paid.

The Group's capital comprises total equity, as shown in the Group statement of financial position. When funding is required, the Group will either raise additional capital or utilise debt. There is no restriction on the level of gearing.

16. SCHEME OF ARRANGEMENT
On 13 August 2012 a scheme of arrangement ("Scheme") was implemented in terms of which Capevin Holdings acquired the remaining ordinary shares in Capevin Investments Ltd not already held by Capevin Holdings, being 20 580 000 shares representing 49% of Capevin Investments Ltd's issued share capital. Capevin Investments Ltd shareholders received 21 Capevin Holdings shares for each share disposed of (refer note 2). Capevin Investments Ltd was delisted following the listing of Capevin Holdings on the JSE on 3 August 2012. All the assets and liabilities of Capevin Investments Ltd were subsequently distributed to Capevin Holdings in terms of section 47 of the Income Tax Act.

17. EVENTS AFTER THE REPORTING DATE
Subsequent to the financial year-end, Distell entered into an agreement to acquire a 26% share of KWA Holdings East Africa Ltd (KHEAL) for approximately R105.0 million. KHEAL is Kenya's leading spirits manufacturer, bottler and distributor, with strong and established local mainstream brands. This transaction enables Distell to expand its production and distribution footprint in leading East African markets.

18. SHARE ANALYSIS

Major beneficial shareholders	**30 June 2014**		30 June 2013	
	%	**Number of shares**	%	Number of shares
Remgro International Holdings (Pty) Ltd	**15.56**	**136 978 200**	15.56	136 978 200
Other	**84.44**	**743 125 065**	84.44	743 125 065
Total	**100.00**	**880 103 265**	100.00	880 103 265

No other shareholder held a beneficial interest of more than 5% in the ordinary shares in the Company on 30 June 2014.

Distribution of shareholders	**30 June 2014**	30 June 2013	30 June 2012
Ordinary shares			
Public shareholders	**7 322**	6 960	3 305
Percentage of shareholders	**99.97**	99.96	99.91
Number of shares	**743 104 065**	742 496 265	182 916 946
Percentage of shares issued	**84.43**	84.36	40.84
Non-public shareholders			
Directors and their associates/Others	**2**	3	3
Percentage of shareholders	**0.03**	0.04	0.09
Number of shares	**136 999 200**	137 607 000	265 006 319
Percentage of shares issued	**15.57**	15.64	59.16
Number of shareholders	**7 324**	6 963	3 308

Range of shareholding	**30 June 2014**			
	%	**Number of shareholders**	**%**	**Number of Shares**
1 - 1 000	3.95	289	0.02	170 933
1 001 - 10 000	47.49	3 478	1.77	15 580 868
10 001 - 50 000	29.90	2 190	5.81	51 154 655
50 001 - 100 000	7.62	558	4.66	41 029 649
100 001 - 500 000	8.74	640	14.84	130 610 646
500 001 - 1 000 000	1.13	83	6.67	58 652 082
Over 1 000 000	1.17	86	66.23	582 904 432
	100.00	7 324	100.00	880 103 265

19. PRIOR YEAR RESTATEMENT

IFRS 11 Joint arrangements

IFRS 11 requires an entity that is a party to an arrangement to assess whether the contractual arrangement gives all the parties, or a group of the parties, control of the arrangement collectively. All the parties, or a group of the parties, control the arrangement collectively when they must act together to direct the activities that significantly affect the returns of the arrangement (the relevant activities). Accordingly all rights in relation to Remgro-Capevin Investments had to be considered in order to determine whether the investment should be classified as a subsidiary, joint venture or associate and the investment was reclassified as a joint venture.

IAS 19 Employee benefits

The revised IAS 19 requires that all past service costs and actuarial gains and losses be recognised in profit or loss and in other comprehensive income, respectively, during the period in which they arise. It also replaced interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit asset/liability. Distell applied IAS 19 retrospectively in accordance with the transitional provision of the standard and accordingly the Group restated its results as well.

The impact of the adoption of these changes on the annual financial statements was as follows:

	Balance as previously reported Debit/ (Credit) R'000	IFRS 11 Debit/ (Credit) R'000	IAS 19 Debit/ (Credit) R'000	**Restated balance Debit/ (Credit) R'000**
GROUP				
1 July 2012				
Statement of financial position				
Investment in associate	1 794 447	(1 794 447)	-	**-**
Investment in joint venture	-	1 794 447	(507)	**1 793 940**
Equity reserve	(893 748)	-	507	**(893 241)**
Total assets	1 798 142	-	(507)	**1 797 635**
Total equity and liabilities	(1 798 142)	-	507	**(1 797 635)**
30 June 2013				
Statement of financial position				
Investment in associate	2 095 280	(2 095 280)	-	**-**
Investment in joint venture		2 095 280	(963)	**2 094 317**
Total assets	2 098 171	-	(963)	**2 097 208**
Equity reserve	(2 053 280)	-	963	**(2 052 317)**
Total equity and liabilities	(2 098 171)	-	963	**(2 097 208)**
Statement of comprehensive income				
Share of profit of associate	(317 249)	317 249	-	**-**
Share of profit of joint venture	-	(317 249)	2 370	**(314 879)**
Gain on dilution of interest in joint venture	(2 644)	-	(5)	**(2 649)**
Profit before taxation	(317 944)	-	2 365	**(315 579)**
Profit attributable to owners of the parent	(314 609)	-	2 365	**(312 244)**
Remeasurement of defined benefit plans of joint venture	(66 930)	-	(1 909)	**(68 839)**
Total comprehensive income for the year	(473 918)	-	456	**(473 462)**
Total comprehensive income attributable to owners of the parent	(453 173)	-	456	**(452 717)**
Statement of changes in equity				
Ordinary shareholders' equity - 30 June 2013	(2 092 976)	-	963	**(2 092 013)**
Equity reserve	(2 053 280)	-	963	**(2 052 317)**
2013 Earnings per share (cents)				
- Basic	35.2	-	(0.2)	**35.0**
- Diluted	32.0	-	(0.2)	**31.8**

Dilutive earnings measures

Previously the calculation of diluted earnings per share and diluted headline earnings per share excluded the dilutive effect of Distell's share schemes and BEE structures. Diluted earnings measures for the 2013 financial year were restated to take these into account.

	Balance as previously reported Debit/ (Credit) R'000	IFRS 11 Debit/ (Credit) R'000	IAS 19 Debit/ (Credit) R'000	**Restated balance Debit/ (Credit) R'000**
COMPANY				
1 July 2012				
The change in accounting policy had no impact on the Company's separate financial statements for the 2012 financial year.				
30 June 2013				
Statement of financial position				
Investment in associate	2 621 191	(2 621 191)	-	**-**
Investment in joint venture	-	2 621 191	-	**2 621 191**
The changes in accounting policy had no impact on the Statements of cash flows and Statement of comprehensive income for the 2013 financial year.				