CAPEVIN

HOLDINGS LIMITED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

These annual financial statements were compiled by the Company's appointed manager, Remgro Management Services Ltd, under the supervision of the Financial Director, P R Louw, CA(SA), 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 2016

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Company information	
Directors	
	C A Otto (Chairman)
	A E v Z Botha
	J J Durand
	R M Jansen
	P R Louw
	E G Matenge-Sebesho
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 2016

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. 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	9 September 2015	2 March 2016
R M Jansen (Chairman)	√	√
A E v Z Botha	√	√
C A Otto	√	√

√ Present

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 separate and group annual financial statements of Capevin Holdings Ltd for the year ended 30 June 2016 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

12 September 2016
Stellenbosch

CAPEVIN HOLDINGS LIMITED
APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2016

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 and personnel as well as 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 separate and group annual financial statements, and their report is presented on page 6.

The financial statements set out on pages 7 to 25 were approved by the board of directors of Capevin Holdings Ltd and are signed on its behalf by:

C A Otto
Chairman

P R Louw
Financial director

12 September 2016
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY

for the year ended 30 June 2016

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)

12 September 2016
Stellenbosch

CAPEVIN HOLDINGS LIMITED
DIRECTORS' REPORT
for the year ended 30 June 2016

NATURE OF BUSINESS
The Company is an investment holding company which holds an indirect effective interest of 26.77% (2015: 26.82%) 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 16 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.

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

Headline earnings per share increased by 12.6% from 43.7 cents per share to 49.2 cents per share. Normalised headline earnings per share, which excludes the Company's share of Distell's remeasurement and reversal of the of the contingent consideration of the acquisition of Burn Stewart Distillers during prior years increased by 11.8% from 44.0 cents to 49.2 cents per share.

THE PROPOSED ACQUISITION OF SABMILLER BY AB INBEV
The global alcoholic beverages industry has witnessed further consolidation with the proposed acquisition of SABMiller by AB Inbev. The intended transaction has been subjected to review by various competition authorities around the world, including South Africa. One of the conditions of the Competition Tribunal's ruling of the merger between AB Inbev and SABMiller in South Africa, has been the disposal of the latter's shareholding in Distell.
The Board of Capevin Holdings has taken note of this condition and will await AB Inbev/SABMiller's response in this regard and, with due consideration of the Company's rights it has, act in the best interest of Capevin Holdings and its shareholders.

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^
• J J Durand*
• R M Jansen^
• E G Matenge-Sebesho*^
• P R Louw

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

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 12 to these annual financial statements.

DIVIDENDS

An interim dividend of 11.40 cents (2015: 12.40 cents) per share was declared on 2 March 2016 and paid on 18 April 2016.

The final dividend was determined at 14.20 cents (2015: 10.45 cents) per share. The total dividend for the year therefore amounts to 25.60 cents (2015: 22.85 cents), which represents an increase of 12.0%.

In terms of the Company's Memorandum of Incorporation, dividends that are not claimed by shareholders may be declared forfeited after three years. During the year under review, the Board took the decision to declare all such dividends forfeited.

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 24) of 14.20 cents (2015: 10.45 cents) per share for the year ended 30 June 2016. The dividend has been declared from income reserves.

A dividend withholding tax of 15% or 2.1300 cents per share will be applicable, resulting in a net dividend of 12.07 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The number of issued ordinary shares as at 12 September 2016 is 880 103 265. The Company's income tax number is 9599/656/71/8.

Payment

The final dividend is payable on Monday, 3 October 2016, to shareholders of the Company registered at the close of business on Friday, 30 September 2016.

Share certificates may not be dematerialised or rematerialised between Wednesday, 28 September 2015, and Friday, 30 September 2016, 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 are no longer issued. 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 the annual financial statements.

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 2016

Report on the Financial Statements
We have audited the consolidated and separate financial statements of Capevin Holdings Ltd set out on pages 7 to 25, which comprise the statements of financial position as at 30 June 2016, 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 2016, 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 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate 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.

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 PricewaterhouseCoopers Inc. has been the auditor Capevin Holdings Limited for 20 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: NH Döman
Registered Auditor
Stellenbosch
12 September 2016

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF FINANCIAL POSITION
as at 30 June 2016

	Notes	GROUP		COMPANY	
		2016	2015	**2016**	2015
		R'000	R'000	**R'000**	R'000
ASSETS					
Non-current assets		**2 852 443**	2 559 147	**2 621 191**	2 622 991
Investment in joint venture	**2**	**2 852 443**	2 557 347	**2 621 191**	2 621 191
Available-for-sale asset	**3**	**-**	1 800	**-**	1 800
Current assets					
Cash and cash equivalents	**4**	**15 871**	4 842	**15 871**	4 842
Total assets		**2 868 314**	2 563 989	**2 637 062**	2 627 833
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Stated capital	**5**	**2 492 046**	2 492 046	**2 492 046**	2 492 046
Retained earnings		**18 099**	1 539	**132 906**	116 346
Other reserves		**(2 464 384)**	(2 462 872)	**-**	1 512
Equity reserve		**2 810 443**	2 515 347	**-**	-
Total equity		**2 856 204**	2 546 060	**2 624 952**	2 609 904
Non-current liabilities					
Deferred taxation	**6**	**-**	335	**-**	335
Current liabilities		**12 110**	17 594	**12 110**	17 594
Trade payables		**268**	318	**268**	318
Unclaimed dividends		**11 800**	17 239	**11 800**	17 239
Current income tax liability		**42**	37	**42**	37
Total liabilities		**12 110**	17 929	**12 110**	17 929
Total equity and liabilities		**2 868 314**	2 563 989	**2 637 062**	2 627 833

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

		GROUP		COMPANY	
		2016	2015	**2016**	2015
	Notes	**R'000**	R'000	**R'000**	R'000
Share of profit of joint venture		**410 662**	385 899	**-**	-
Loss on dilution of interest in joint venture	**2**	**(2 527)**	(246)	**-**	-
Investment income	**7**	**1 452**	1 025	**208 571**	201 103
Profit on sale of investment		**1 650**	-	**1 650**	-
Unclaimed dividends forfeited		**1 252**	1 106	**1 252**	1 106
Administrative expenses	**8**	**(2 162)**	(2 280)	**(2 162)**	(2 280)
Profit before taxation		**410 327**	385 504	**209 311**	199 929
Taxation	**9**	**(496)**	(284)	**(496)**	(284)
Profit for the year		**409 831**	385 220	**208 815**	199 645
Other comprehensive income		**92 615**	70 113	**(1 465)**	-
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment – available-for-sale asset		**(150)**	-	**(150)**	-
Tax charge relating to available-for-sale asset		**28**	-	**28**	-
Reclassified to profit or loss		**(1 343)**	-	**(1 343)**	-
Share of other comprehensive income of joint venture					
Fair value adjustment – available-for-sale asset		**(4 630)**	1 529	**-**	-
Currency translation differences		**65 244**	48 215	**-**	-
Reclassified to profit or loss		**(754)**	(361)	**-**	-
Items that will not be reclassified to profit or loss:					
Share of joint venture's remeasurements of post-employment benefits		**22 092**	16 332	**-**	-
Other equity movements of joint venture		**12 128**	4 398	**-**	-
Total comprehensive income for the year		**502 446**	455 333	**207 350**	199 645
Profit attributable to:					
Owners of the parent		**409 831**	385 220		
Total comprehensive income attributable to:					
Owners of the parent		**502 446**	455 333		
Earnings per share (cents)	**11**				
- Basic		**46.6**	43.8		
- Diluted		**46.4**	43.6		

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CHANGES IN EQUITY
for the year ended 30 June 2016

	Stated capital R'000	Retained earnings R'000	Equity reserve R'000	Other reserves R'000	Total R'000
GROUP					
Balance at 30 June 2014	2 492 046	16 639	2 259 659	(2 462 872)	2 305 472
Profit for the year	-	385 220	-	-	385 220
Other comprehensive income, net of tax	-	-	70 113	-	70 113
Share of other comprehensive income of joint venture	-	-	66 076	-	66 076
Other equity movements of joint venture	-	-	4 398	-	4 398
Reclassified to profit or loss	-	-	(361)	-	(361)
Total comprehensive income	-	385 220	70 113	-	455 333
Transactions with owners	-	(400 320)	185 575	-	(214 745)
Net transfer between reserves	-	(185 575)	185 575	-	-
Dividends paid	-	(214 745)	-	-	(214 745)
Balance at 30 June 2015	2 492 046	1 539	2 515 347	(2 462 872)	2 546 060
Profit for the year	**-**	**409 831**	**-**	**-**	**409 831**
Other comprehensive income, net of tax	**-**	**47**	**94 080**	**(1 512)**	**92 615**
Share of other comprehensive income of joint venture	**-**	**-**	**82 706**	**-**	**82 706**
Other equity movements of joint venture	**-**	**-**	**12 128**	**-**	**12 128**
Fair value adjustment – available-for-sale asset, net of tax	**-**	**-**	**-**	**(122)**	**(122)**
Reclassified to profit or loss	**-**	**47**	**(754)**	**(1 390)**	**(2 097)**
Total comprehensive income	**-**	**409 878**	**94 080**	**(1 512)**	**502 446**
Transactions with owners	**-**	**(393 318)**	**201 016**	**-**	**(192 302)**
Net transfer between reserves	**-**	**(201 016)**	**201 016**	**-**	**-**
Dividends paid	**-**	**(192 302)**	**-**	**-**	**(192 302)**
Balance at 30 June 2016	**2 492 046**	**18 099**	**2 810 443**	**(2 464 384)**	**2 856 204**

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CHANGES IN EQUITY (continued)
for the year ended 30 June 2016

	Stated capital R'000	Retained earnings R'000	Other reserves R'000	Total R'000
COMPANY				
Balance at 30 June 2014	2 492 046	131 446	1 512	2 625 004
Total comprehensive income				
Profit for the year	-	199 645	-	199 645
Transactions with owners				
Dividends paid	-	(214 745)	-	(214 745)
Balance at 30 June 2015	2 492 046	116 346	1 512	2 609 904
Total comprehensive income	**-**	**208 862**	**(1 512)**	**207 350**
Profit for the year	**-**	**208 815**	**-**	**208 815**
Other comprehensive income, net of tax	**-**		**(122)**	**(122)**
Transfer to profit or loss	**-**	**47**	**(1 390)**	**(1 343)**
Transactions with owners				
Dividends paid	**-**	**(192 302)**	**-**	**(192 302)**
Balance at 30 June 2016	**2 492 046**	**132 906**	**-**	**2 624 952**

Dividend per share

Interim: 11.4 cents (2015: 12.4 cents) - declared 2 March 2016 and paid 18 April 2016

Final: 14.2 cents (2015: 10.45 cents) - declared 12 September 2016 and payable 3 October 2016

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CASH FLOWS
for the year ended 30 June 2016

		GROUP		COMPANY	
		2016	2015	**2016**	2015
	Notes	**R'000**	R'000	**R'000**	R'000
Cash flows from operating activities					
Dividends received	**10.1**	**207 129**	200 088	**207 129**	200 088
Dividends paid		**(192 302)**	(214 745)	**(192 302)**	(214 745)
Interest received		**1 442**	1 015	**1 442**	1 015
Administrative expenses	**8**	**(2 162)**	(2 280)	**(2 162)**	(2 280)
Taxation paid	**10.2**	**(491)**	(278)	**(491)**	(278)
(Decrease)/increase in trade and other payables and unclaimed dividends		**(4 237)**	14 416	**(4 237)**	14 416
		9 379	(1 784)	**9 379**	(1 784)
Cash flows from investing activities		**1 650**	4 314	**1 650**	4 314
Proceeds from disposal of investment		**1 650**	-	**1 650**	-
Investment in money market fund		**-**	4 314	**-**	4 314
Net increase in cash and cash equivalents		**11 029**	2 530	**11 029**	2 530
Cash and cash equivalents at beginning of the year		**4 842**	2 312	**4 842**	2 312
Cash and cash equivalents at end of the year	**4**	**15 871**	4 842	**15 871**	4 842

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 both 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 the SAICA Financial Reporting Guides issued by the Accounting Practices Committee.

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 judgements 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 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. The Group's share of post-acquisition profit and loss is recognised in profit and loss, and its share of post-acquisition movements in other comprehensive income and other equity movements are assessed based on the substance of the transaction and accounted for accordingly, with a corresponding adjustment to the carrying amount of the investment. 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. Dividends received or receivable from are recognised as a reduction in the carrying amount of the investment.

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 joint control ("step acquisition"), 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 joint control 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.

When the Company ceases to have joint control but retains a portion of the investment as a financial asset, 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 financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the investee 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.

Significant accounting policies 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
Distell owns bearer biological assets in the form of grapevines and certain assumptions and estimates are used to calculate the fair value of grapevines.

1. ACCOUNTING POLICIES (continued)

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, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow.

f) Business combinations
Where 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.

1. ACCOUNTING POLICIES (continued)

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 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 profit and loss. Impairment losses recognised in profit or loss 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.

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
The equity reserve comprises the Group's share of joint ventures' post-acquisition reserves.

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 during the 2013 financial year whereby the Company acquired the minority interest in its investment in Capevin Investments Ltd (CVI) by issuing ordinary shares. CVI was subsequently liquidated.

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 classified 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 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 2018)
- IFRS 16: Leases (effective date – financial periods commencing on/after 1 January 2019)
- Amendments to IFRS 10: Consolidated Financial Statements (effective date – financial periods commencing on/after 1 January 2016)
- Amendments to IFRS 11: Joint Arrangements (effective date – financial periods commencing on/after 1 January 2016)
- Amendments to IAS 1: Presentation of Financial Statements (effective date – financial periods commencing on/after 1 January 2016)
- Amendments to IAS 7: Cash flow statements (effective date – financial periods commencing on/after 1 January 2017)
- Amendment to IAS 12: Income taxes (effective date – financial periods commencing on/after 1 January 2017)
- 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)
- Amendments to IAS 16: Property, plant and equipment and IAS 41: Agriculture: Bearer Plants (effective date – financial periods commencing on/after 1 January 2016)
- Amendments to IAS 27: Separate financial statements on equity accounting (effective date – financial periods commencing on/after 1 January 2016)

It is expected that IFRS 9, IFRS 15, IFRS 16 and the amendments to IAS 16 and IAS 41 pertaining to bearer plants may have an impact on the Capevin Holdings' results, but that impact has not yet been assessed. It is not expected that the other changes to IFRS will have a significant impact on the Group's financial statements.

2. INVESTMENT IN JOINT VENTURE

	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
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 26.77% (2015: 26.82%) in Distell Group Ltd.				
Interest in post-acquisition reserves	**2 810 443**	2 515 347		
Balance at the beginning of the year	**2 515 347**	2 259 659		
Share of profit of joint venture	**410 662**	385 899		
Dividend received	**(207 119)**	(200 078)		
Dilution of interest	**(3 281)**	(246)		
Other comprehensive income	**94 834**	70 113		
Carrying value	**2 852 443**	2 557 347	**2 621 191**	2 621 191

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).

Summarised statement of comprehensive income	GROUP 2016 R'000	GROUP 2015 R'000
Revenue	**21 470 120**	19 588 970
Depreciation and amortisation	**(371 697)**	(271 224)
Interest income	**21 002**	23 241
Interest expense	**(281 790)**	(259 711)
Profit before tax	**2 156 376**	1 988 685
Taxation	**(624 485)**	(569 024)
Profit after tax	**1 531 891**	1 419 661
Attributable to non-controlling shareholders	**95**	17 475
Attributable profit for the year	**1 531 986**	1 437 136
Other comprehensive income attributable to shareholders	**306 769**	246 018
Total comprehensive income attributable to shareholders	**1 838 755**	1 683 154
Headline earnings	**1 610 648**	1 434 561

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
2. INVESTMENT IN JOINT VENTURE (continued)				
Summarised statement of financial position				
Non-current assets	**8 312 169**	7 435 251		
Cash and cash equivalents	**1 032 402**	619 367		
Other current assets	**10 597 320**	9 753 150		
Total assets	**19 941 891**	17 807 768		
Non-controlling interest	**(15 262)**	(19 283)		
Non-current financial liabilities	**(1 200 000)**	(3 323 446)		
Other non-current liabilities	**(750 938)**	(652 226)		
Current financial liabilities (excluding trade and other payables and provisions)	**(3 726 589)**	(870 387)		
Other current liabilities	**(3 592 105)**	(3 405 312)		
Net assets	**10 656 997**	9 537 114		
Reconciliation to carrying value				
Capevin Holdings' effective interest	**26.77%**	26.82%		
Capevin Holdings' effective interest in net assets	**2 852 443**	2 557 347		
Carrying value at 30 June	**2 852 443**	2 557 347		
Fair value of investment based on the JSE Ltd closing price on 30 June	**9 493 453**	9 796 798		
3. AVAILABLE-FOR-SALE ASSET				
Unlisted investments - Historical Homes of South Africa Ltd	**-**	1 800	**-**	1 800
Balance at the beginning of the year	**1 800**	1 800	**1 800**	1 800
Fair value adjustment for the year	**(150)**	-	**(150)**	-
Disposal	**(1 650)**		**(1 650)**	
Balance at the end of the year	**-**	1 800	**-**	1 800

The investment in Historical Homes Ltd was disposed of during the year.

4. CASH AND CASH EQUIVALENTS				
Cash at bank	**15 871**	**4 842**	**15 871**	**4 842**

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

5. 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

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
6. DEFERRED TAXATION				
The movements on the deferred income tax account were as follows:				
Balance at beginning of the year	**335**	335	**335**	335
Accounted for in other comprehensive income	**(28)**	-	**(28)**	-
Realised on disposal of investment	**(307)**	-	**(307)**	-
	-	335	**-**	335
The analysis of deferred tax liability is as follows:				
Revaluation of available-for-sale asset	**-**	335	**-**	335

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.

	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
7. INVESTMENT INCOME				
Dividend income				
Dividends received from Remgro-Capevin Investments (Pty) Ltd		-	**207 119**	200 078
Dividends received from available-for-sale financial asset	**10**	10	**10**	10
Interest income				
Cash and cash equivalents	**1 442**	1 015	**1 442**	1 015
	1 452	1 025	**208 571**	201 103

	GROUP 2016 R'000	GROUP 2015 R'000	COMPANY 2016 R'000	COMPANY 2015 R'000
8. ADMINISTRATIVE EXPENSES				
Auditor's remuneration (audit services)	**178**	168	**178**	168
Current year	**174**	163	**174**	163
Prior year under provision	**4**	5	**4**	5
Directors' emoluments	**136**	110	**136**	110
Professional fees	**53**	130	**53**	130
Other administrative expenses	**1 795**	1 872	**1 795**	1 872
	2 162	2 280	**2 162**	2 280

	GROUP		COMPANY	
	2016	2015	**2016**	2015
	R'000	R'000	**R'000**	R'000
9. TAXATION				
South Africa normal tax				
Current year	**496**	284	**496**	284
Tax rate reconciliation:	**%**	%	**%**	%
Standard rate for companies	**28.00**	28.00	**28.00**	28.00
Share of profit of joint venture	**(27.85)**	(28.01)	**-**	-
Exempt dividend income	**-**	-	**(27.71)**	(28.02)
Dividends forfeited	**(0.09)**	(0.08)	**(0.17)**	(0.15)
Non-deductible expenses	**0.15**	0.16	**0.30**	0.31
Non-taxable portion of capital profit on disposal of investment	**(0.09)**	-	**(0.18)**	-
Effective tax rate	**0.12**	0.07	**0.24**	0.14
10. CASH FLOW INFORMATION				
10.1 DIVIDENDS RECEIVED				
Dividends accounted for in investment income	**10**	10	**207 129**	200 088
Dividends from joint venture set off against investment	**207 119**	200 078	**-**	-
	207 129	200 088	**207 129**	200 088
10.2 TAXATION PAID				
Unpaid at the beginning of the year	**37**	31	**37**	31
Per profit or loss	**496**	284	**496**	284
Unpaid at end of the year	**(42)**	(37)	**(42)**	(37)
	491	278	**491**	278

11. EARNINGS PER SHARE

	GROUP 2016 R'000	2015 R'000
The calculation of earnings per share is based on the following:		
Earnings attributable to ordinary shareholders	**409 831**	385 220
Headline earnings adjustable items		
Share of joint venture's impairment of intangible asset*	**21 463**	-
Share of joint venture's other capital losses/(gains)	**491**	(849)
Tax on share of joint venture's capital gains and losses	**(91)**	157
Gain on disposal of investment	**(1 650)**	-
Tax effect on gain of disposal of investment	**92**	-
Loss on dilution of interest in joint venture	**2 527**	246
Headline earnings	**432 663**	384 774
Remeasurement and reversal of contingent consideration	**-**	2 388
Normalised headline earnings#	**432 663**	387 162

* The impairment relates to the Bisquit brand: The expected potential market growth in China and Russia at the time of acquisition has not materialised leading to an impairment in the carrying value of the brand.

\# Normalised headline earnings excludes the Company's share of Distell's remeasurement and reversal of the contingent consideration of the acquisition of Burn Stewart Distillers in the 2015 financial year.

	2016	2015
Weighted number of shares in issue ('000)	**880 103**	880 103
Earnings per share (cents)		
- Basic	**46.6**	43.8
- Diluted	**46.4**	43.6
Headline earnings per share (cents)		
- Basic	**49.2**	43.7
- Diluted	**49.0**	43.5
Normalised headline earnings per share (cents)		
- Basic	**49.2**	44.0
- Diluted	**49.0**	43.8

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

Distell has a management share incentive 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:

	2016	2015
Earnings (R'000)	**1 646**	1 643
Headline earnings (R'000)	**1 703**	1 655
Normalised headline earnings (R'000)	**1 703**	1 526

12. RELATED PARTY TRANSACTIONS

During the year the Group received dividends from Remgro-Capevin Investments (Pty) Ltd (a joint venture) of R207 119 220 (2015: R200 078 000) and paid administrative fees of R980 500 (2015: R925 000) to Remgro Management Services Ltd (a subsidiary of an investor with significant influence over the Group). The Group also disposed of its investment in Historical Homes of South Africa Ltd to Eikenlust (Pty) Ltd (a subsidiary of an investor with significant influence over the Group) for a total amount of R1 650 000.

Directors' emoluments

The directors received the following fees for services as directors:

Director (Rands)	**2016**	**2015**
A E v Z Botha	**37 200**	17 400
N Celliers*	**-**	11 600
R M Jansen	**37 200**	34 800
E G Matenge-Sebesho*	**24 800**	11 600
C A Otto	**37 200**	34 800

* *Mr N Celliers resigned, and Ms E G Matenge-Sebesho was appointed, as a director on 12 September 2014.*

Directors' interests

No director (or associate of any of the directors), holds an interest in the securities of 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. FINANCIAL RISK MANAGEMENT

The financial instruments in the statement of financial position on 30 June 2016 are limited to 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 related only to the investment in Historical Homes of South Africa Ltd, which was disposed of during the year under review.

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: 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 less tradability and marketability discounts.

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 Company had no financial instruments measured at fair value other than the investment in Historical Homes of South Africa Ltd which was disposed of during the 2016 financial year. Refer to note 3 for a reconciliation of the carrying value of this available-for-sale asset that was classified as Level 3.

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.

15. EVENTS AFTER THE REPORTING DATE

The Group is unaware of any matter or event that is material to the financial affairs of the Company that have occurred between the reporting date and the date of approval of the annual financial statements.

16. SHARE ANALYSIS

Major beneficial shareholders	30 June 2016 %	30 June 2016 Number of shares	30 June 2015 %	30 June 2015 Number of shares
Remgro International Holdings (Pty) Ltd	**15.56**	**136 978 200**	15.56	136 978 200
Government Employees Pension Fund (PIC)	**11.92**	**104 899 156**	11.90	104 737 607
Other	**72.52**	**638 225 909**	72.54	638 387 458
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 of the Company on 30 June 2016.

Distribution of shareholders	30 June 2016	30 June 2015	30 June 2014
Ordinary shares			
Public shareholders	**6 709**	6 963	7 322
Percentage of shareholders	**99.97**	99.97	99.97
Number of shares	**638 225 909**	638 387 458	743 104 065
Percentage of shares issued	**72.52**	72.54	84.43
Non-public shareholders			
Directors and their associates/Others	**2**	2	2
Percentage of shareholders	**0.03**	0.03	0.03
Number of shares	**241 877 356**	241 715 807	136 999 200
Percentage of shares issued	**27.48**	27.46	15.57
Number of shareholders	**6 711**	6 965	7 324

Range of shareholding	30 June 2016 %	Number of shareholders	%	Number of Shares
1 - 1 000	**5.36**	**360**	**0.02**	**186 361**
1 001 - 10 000	**47.12**	**3 162**	**1.58**	**13 885 338**
10 001 - 50 000	**28.18**	**1 891**	**5.10**	**44 876 983**
50 001 - 100 000	**7.76**	**521**	**4.32**	**38 055 285**
100 001 - 500 000	**9.14**	**613**	**14.32**	**126 055 045**
500 001 - 1 000 000	**1.07**	**72**	**5.80**	**51 081 604**
Over 1 000 000	**1.37**	**92**	**68.86**	**605 962 649**
	100.00	**6 711**	**100.00**	**880 103 265**