CAPEVIN

HOLDINGS LIMITED

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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 2017

Contents	**Page**

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 2017

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	12 September 2016	8 March 2017
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 2017 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

13 September 2017
Stellenbosch

CAPEVIN HOLDINGS LIMITED
APPROVAL OF ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2017

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 pages 6 to 10.

The financial statements set out on pages 11 to 29 were approved by the board of directors of Capevin Holdings Ltd and are signed on its behalf by:

C A Otto **P R Louw**
Chairman *Financial director*

13 September 2017
Stellenbosch

DECLARATION BY THE COMPANY SECRETARY
for the year ended 30 June 2017

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)

13 September 2017
Stellenbosch

CAPEVIN HOLDINGS LIMITED
DIRECTORS' REPORT
for the year ended 30 June 2017

NATURE OF BUSINESS
The Company is an investment holding company which holds an indirect effective interest of 26.74% (2016: 26.77%) 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 Annexure 1 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.

Distell reported that a significantly stronger rand impacted its results and that its headline earnings, excluding the impact of foreign exchange differences, have increased by 7.4% from R1 490.6 million to R1 600.2 million. Distell's reported headline earnings decreased by 3.6% from R1 610.6 million to R1 553.3 million. Consequently, Capevin's headline earnings decreased by 4.0% from R432.7 million to R415.4 million.

THE PROPOSED RESTRUCTURING OF DISTELL'S OWNERSHIP STRUCTURE
The investment in Distell is currently held through a multi-tiered ownership structure in which Capevin and Remgro Ltd each owns 50% in Remgro-Capevin Investments Proprietary Limited (RCI). RCI, in turn, holds a 52.8% (on a fully diluted basis) direct investment in Distell. The Board of Directors resolved to simplify the ownership structure through schemes of arrangement in terms of which a new entity, Distell Group Holdings Limited (DGHL) will effectively acquire RCI's and all other shareholders' direct and indirect interests in Distell in exchange for shares in DGHL. DGHL will be listed on the JSE limited, while Distell will be delisted. Refer to the SENS announcement of 22 June 2017 for more detail.

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, Mr R M Jansen and Ms E G Matenge-Sebesho 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 10.60 cents (2016: 11.40 cents) per share was declared on 8 March 2017 and paid on 24 April 2017.

The final dividend was determined at 13.60 cents (2016: 14.20 cents) per share. The total dividend for the year therefore amounts to 24.20 cents (2016: 25.60 cents).

In terms of the Company's Memorandum of Incorporation, the Board declared all dividends that are not claimed by shareholders after a three-year period forfeited, in terms of the applicable prescription laws.

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 26) of 13.60 cents (2016: 14.20 cents) per share for the year ended 30 June 2017. The dividend has been declared from income reserves.

A dividend withholding tax of 20% or 2.7200 cents per share will be applicable, resulting in a net dividend of 10.88 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 13 September 2017 is 880 103 265. The Company's income tax number is 9599/656/71/8.

Payment

The final dividend is payable on Monday, 9 October 2017, to shareholders of the Company registered at the close of business on Friday, 6 October 2017.

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 October 2017, and Friday, 6 October 2017, 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

Refer to note 14 for information pertaining events after the reporting date.

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	

Independent auditor's report

To the Shareholders of Capevin Holdings Limited

Report on the audit of the economic interest and separate financial statements

Our opinion

In our opinion, the economic interest and separate financial statements present fairly, in all material respects, the economic interest and separate financial position of Capevin Holdings Limited (the Company) and its joint venture (together the Group as defined in note 1.1 to the financial statements) as at 30 June 2017, and its economic interest and separate financial performance and its economic interest 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.

What we have audited

Capevin Holdings Limited's economic interest and separate financial statements set out on pages 11 to 31 comprise:

- the group and company statements of financial position as at 30 June 2017;
- the group and company statements of comprehensive income for the year then ended;
- the group and company statements of changes in equity for the year then ended;
- the group and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the economic interest and separate financial statements* section of our report.

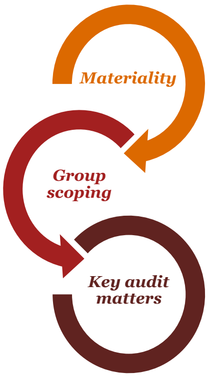
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

Our audit approach

Overview



Overall group materiality

- R20.6 million, which represents 5% of profit before taxation adjusted for once-off items.

Group audit scope

- Full scope audits were performed for the Company and the equity accounted results of its joint venture.

Key Audit Matters

- Equity accounting of indirect investment in Distell Group Limited.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the economic interest and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the economic interest financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the economic interest financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R20.6 million
How we determined it	5% of profit before taxation adjusted for once-off items
Rationale for the materiality benchmark applied	We chose profit before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and it is a generally accepted benchmark. Profit before taxation was adjusted to exclude the once-off items as disclosed in note 11 to the financial statements. In our view excluding these items provides a more consistent basis for the determination of materiality as it reflects recurring profits. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the economic interest financial statements as a whole, taking into account the structure of the Group, nature of its business as an investment holding company, and the accounting processes and controls.

The Company is an investment holding company which holds an indirect investment in Distell Group Limited which is held through its joint venture, Remgro-Capevin Investments Proprietary Limited. The economic interest financial statements mainly consist of the equity accounted results of Distell Group Limited. Full scope audits were performed on the results of the Company and the equity accounted results of Distell Group Limited. The results of Distell Group Limited were audited by a PwC component auditor, audit instructions were communicated to the component auditor. The audit instructions covered those areas that we required the component auditor to focus on, as well as information that we required them to report to us. We examined the reporting received from the component auditor and assessed the impact thereof on the economic interest financial statements. We reviewed the component auditor's working papers relating to areas of significant risks in the economic interest financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the economic interest and separate financial statements of the current period. These matters were addressed in the context of our audit of the economic interest and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Economic interest financial statements

Key audit matter	***How our audit addressed the key audit matter***
Equity accounting of indirect investment in Distell Group Limited	
The Company holds an indirect investment in Distell Group Limited which is accounted for in terms of IAS 28, "Investments in associates and joint ventures". The Company's share of the after tax profits of Distell Group Limited (Distell) for the year ended 30 June 2017 was R347,127,000 and the Company's share of the Distell's net assets was R2,819,439,000 as at 30 June 2017. Equity accounting for this investment was a matter of most significance to the audit due to: • The significant contribution of the equity accounted investment to the results of the Group, as defined in note 1.1 to the financial statements. • The judgement applied by management during the impairment assessment of goodwill and intangible assets at a Distell level, in the context of our audit of the economic interest financial statements. For further information, refer to note 1.2 (accounting policy) and note 2 (financial statements).	We obtained equity accounted results and movements recorded in the economic interest financial statements and agreed them to the audited financial results of Distell. We compared the accounting policies of Distell Group Limited to that of the Capevin Holdings Limited to test the consistency of the accounting policies and compliance with IFRS. We re-performed the calculation of the effective interest in Distell Group Limited by agreeing the calculation to the number of shares held and the issued share capital of Distell Group Limited. We re-performed management's calculations of the Capevin Holdings Limited share of the investee's results to test that the equity accounted results are accurate, complete and in line with IFRS. No exceptions were noted. Due to the significant contribution of the equity accounted investment, we issued audit instructions to the component auditors of Distell Group Limited as described in the section '*How we tailored our group audit scope*'. We assessed the competence, knowledge and experience of the component audit team, and examined the information reported by the component auditor to us and their working papers on significant risks to assess the adequacy of the procedures performed to support our audit opinion. We discussed and evaluated the impact of the key audit matters relating to Distell Group Limited on the economic interest financial statements. The key audit matter relating to the impairment of goodwill and intangible assets of Distell Group Limited was considered to be of significance to the economic interest's results based on the magnitude and the management judgement applied at a Distell level. The following procedures were performed by the component auditor in respect to the matter: - Utilizing their valuation experts they evaluated the valuation methodologies used by management in

	determining the recoverable amount of the underlying cash generating units and assessed the reasonableness of assumptions used by management regarding the discount rate and long term growth rate. - Assessed the projected future cash flows, operating margins and working capital requirements used in management's calculations. - Performed independent sensitivity calculations on the impairment assessments.

Separate financial statements

We have determined that there are no key audit matters in respect of the separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises the Capevin Holdings Limited Annual Financial Statements which includes the Declaration by the Company Secretary, Report of the Audit and Risk Committee, Director's Report as required by the Companies Act of South Africa, and the Capevin Holdings Limited Annual Report, which we obtained prior to the date of this auditor's report. Other information does not include the economic interest and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the economic interest and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the economic interest and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the economic and separate financial statements

The directors are responsible for the preparation and fair presentation of the economic interest 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 economic interest and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the economic interest and separate financial statements

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

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

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

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Capevin Holdings Limited for 21 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: A Wentzel
Registered Auditor
Stellenbosch
13 September 2017

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF FINANCIAL POSITION
as at 30 June 2017

	Notes	GROUP		COMPANY	
		2017	2016	**2017**	2016
		R'000	R'000	**R'000**	R'000
ASSETS					
Non-current assets					
Investment in joint venture	**2**	**2 819 439**	2 852 443	**2 621 191**	2 621 191
Current assets					
Cash and cash equivalents	**4**	**23 364**	15 871	**23 364**	15 871
Total assets		**2 842 803**	2 868 314	**2 644 555**	2 637 062
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		**21 860**	18 099	**136 667**	132 906
Other reserves		**(2 464 384)**	(2 464 384)	**-**	-
Equity reserve		**2 777 439**	2 810 443	**-**	-
Total equity		**2 826 961**	2 856 204	**2 628 713**	2 624 952
Current liabilities		**15 842**	12 110	**15 842**	12 110
Trade payables		**382**	268	**382**	268
Unclaimed dividends		**15 442**	11 800	**15 442**	11 800
Current income tax liability		**18**	42	**18**	42
Total liabilities		**15 842**	12 110	**15 842**	12 110
Total equity and liabilities		**2 842 803**	2 868 314	**2 644 555**	2 637 062

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

		GROUP		COMPANY	
		2017	2016	**2017**	2016
	Notes	**R'000**	R'000	**R'000**	R'000
Share of profit of joint venture		**347 127**	410 662	**-**	-
Loss on dilution of interest in joint venture		**(1 619)**	(2 527)	**-**	-
Investment income	**7**	**1 831**	1 452	**224 205**	208 571
Profit on sale of investment		**-**	1 650	**-**	1 650
Unclaimed dividends forfeited		**1 265**	1 252	**1 265**	1 252
Administrative expenses	**8**	**(2 930)**	(2 162)	**(2 930)**	(2 162)
Profit before taxation		**345 674**	410 327	**222 540**	209 311
Taxation	**9**	**(513)**	(496)	**(513)**	(496)
Profit for the year		**345 161**	409 831	**222 027**	208 815
Other comprehensive income		**(156 138)**	92 615	**-**	(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		**(715)**	(4 630)	**-**	-
Fair value adjustment – cash flow hedges		**(2 439)**	-	**-**	-
Currency translation differences		**(151 622)**	65 244	**-**	-
Reclassified to profit or loss		**(946)**	(754)	**-**	-
Items that will not be reclassified to profit or loss:					
Share of joint venture's remeasurements of post-employment benefits		**11 685**	22 092	**-**	-
Other equity movements of joint venture		**(12 101)**	12 128	**-**	-
Total comprehensive income for the year		**189 023**	502 446	**222 027**	207 350
Profit attributable to:					
Owners of the parent		**345 161**	409 831		
Total comprehensive income attributable to:					
Owners of the parent		**189 023**	502 446		
Earnings per share (cents)	**11**				
- Basic		**39.2**	46.6		
- Diluted		**39.2**	46.4		

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CHANGES IN EQUITY
for the year ended 30 June 2017

	Stated capital R'000	Retained earnings R'000	Equity reserve R'000	Other reserves R'000	Total R'000
GROUP					
Balance at 1 July 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
Profit for the year	**-**	**345 161**	**-**	**-**	**345 161**
Other comprehensive income, net of tax	**-**	**-**	**(156 138)**	**-**	**(156 138)**
Share of other comprehensive income of joint venture	**-**	**-**	**(143 091)**	**-**	**(143 091)**
Other equity movements of joint venture	**-**	**-**	**(12 101)**	**-**	**(12 101)**
Reclassified to profit or loss	**-**	**-**	**(946)**	**-**	**(946)**
Total comprehensive income	**-**	**345 161**	**(156 138)**	**-**	**189 023**
Transactions with owners	**-**	**(341 400)**	**123 134**	**-**	**(218 266)**
Net transfer between reserves	**-**	**(123 134)**	**123 134**	**-**	**-**
Dividends paid	**-**	**(218 266)**	**-**	**-**	**(218 266)**
Balance at 30 June 2017	**2 492 046**	**21 860**	**2 777 439**	**(2 464 384)**	**2 826 961**

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CHANGES IN EQUITY (continued)
for the year ended 30 June 2017

	Stated capital R'000	Retained earnings R'000	Other reserves R'000	Total R'000
COMPANY				
Balance at 1 July 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
Total comprehensive income	-	**222 027**	-	**222 027**
Dividends paid	-	**(218 266)**	-	**(218 266)**
			-	
Balance at 30 June 2017	**2 492 046**	**136 667**	-	**2 628 713**

Dividend per share

Interim: 10.6 cents (2016: 11.4 cents) - declared 8 March 2017 and paid 24 April 2017

Final: 13.6 cents (2016: 14.2 cents) - declared 13 September 2017 and payable 9 October 2017

CAPEVIN HOLDINGS LIMITED
STATEMENTS OF CASH FLOWS
for the year ended 30 June 2017

		GROUP		COMPANY	
		2017	2016	**2017**	2016
	Notes	**R'000**	R'000	**R'000**	R'000
Cash flows from operating activities					
Dividends received	**10.1**	**222 374**	207 129	**222 374**	207 129
Dividends paid		**(218 266)**	(192 302)	**(218 266)**	(192 302)
Interest received		**1 831**	1 442	**1 831**	1 442
Administrative expenses	**8**	**(2 930)**	(2 162)	**(2 930)**	(2 162)
Taxation paid	**10.2**	**(537)**	(491)	**(537)**	(491)
Increase/(decrease) in trade and other payables and unclaimed dividends		**5 021**	(4 237)	**5 021**	(4 237)
		7 493	9 379	**7 493**	9 379
Cash flows from investing activities					
Proceeds from disposal of investment		**-**	1 650	**-**	1 650
Net increase in cash and cash equivalents		**7 493**	11 029	**7 493**	11 029
Cash and cash equivalents at beginning of the year		**15 871**	4 842	**15 871**	4 842
Cash and cash equivalents at end of the year	**4**	**23 364**	15 871	**23 364**	15 871

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below and are consistent with those of the prior year. The following amendments to IFRS were implemented during the year under review:

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16: Property, plant and equipment and IAS 41: Agriculture: Bearer Plants.

The implementation of these amended accounting standards did not have a significant impact on the Group's results for the year. The comparative information was not restated for the change in accounting policy, as the effect of the amendments were immaterial to the financial statements.

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 joint ventures 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.

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1. ACCOUNTING POLICIES (continued)

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.

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.

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.

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

1. ACCOUNTING POLICIES (continued)

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) 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.

e) 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.

f) Property, plant and equipment
It is necessary for Distell to make use of judgement when determining the useful life of property, plant and equipment (including bearer plants).

g) Consolidation of entities where 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 and therefore it is consolidated.

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.

1. ACCOUNTING POLICIES (continued)

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 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. ACCOUNTING POLICIES (continued)

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.

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 group 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

1. ACCOUNTING POLICIES (continued)

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.

1.9 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

The following standards are expected to have an impact on the group's results:

- IFRS 15: Revenue from Contracts with Customers (effective date – financial periods commencing on/after 1 January 2018)
  Under IFRS 15: Revenue needs to be recognised at a point in time or over time depending on the performance obligations linked to separate elements of the contract with the customer. Distell's revenue consists mostly of sales of liquor products delivered to customers at the point of sale and does not have multiple element arrangements included in it. It is expected that the timing and measurement of the Group's revenue will not change due the implementation of IFRS 15. Distell's management still has to perform a detailed analysis of all revenue contracts to assess each individually.

- IFRS 16: Leases (effective date – financial periods commencing on/after 1 January 2019)
  The new standard for leases, IFRS 16, requires a lessee to recognise a right-of-use asset and corresponding lease liability on the balance sheet for almost all lease contracts. Currently operating lease expenses are charged to the income statement on a straight line basis over the term of the lease. Distell leases various farming land, warehouses, machinery, equipment and vehicles under operating lease agreements. Its management still has to perform a detailed analysis of all lease contracts on an individual basis, but it is expected that as a minimum it will have to capitalise right-of-use assets of about R300 million. The remainder of Distell's lease expenses relates to short-term leases and low-value assets. Apart from the right-of-use asset and lease liability being recognised on the statement of financial position, the effect of the change in the standard would be a reduction in the operating lease expenses in the income statement, and an increase in depreciation charges (on the right-of-use asset)

1. ACCOUNTING POLICIES (continued)

and finance cost (interest expense of the lease liability). The impact of these cannot be quantified at this stage.

1. ACCOUNTING POLICIES (continued)

The following amendments to IFRS are not expected to have an impact on the group's results:

- IFRS 9: Financial Instruments (effective date – financial periods commencing on/after 1 January 2018)
- IFRS 17: Insurance contracts (effective date – financial periods commencing on/after 1 January 2021)
- 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)

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
2. 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 26.74% (2016: 26.77%) in Distell Group Ltd.				
Interest in post-acquisition reserves	**2 777 439**	2 810 443		
Balance at the beginning of the year	**2 810 443**	2 515 347		
Share of profit of joint venture	**347 127**	410 662		
Dividend received	**(222 374)**	(207 119)		
Dilution of interest	**(2 565)**	(3 281)		
Other comprehensive income	**(155 192)**	94 834		
Carrying value	**2 819 439**	2 852 443	**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				
Revenue	**22 259 253**	21 470 120		
Depreciation and amortisation	**(439 422)**	(371 697)		
Interest income	**69 290**	21 002		
Interest expense	**(289 296)**	(281 790)		
Profit before tax	**1 913 289**	2 156 376		
Taxation	**(616 486)**	(624 485)		
Profit after tax	**1 296 803**	1 531 891		
Attributable to non-controlling shareholders	**175**	95		
Attributable profit for the year	**1 296 978**	1 531 986		
Other comprehensive income attributable to shareholders	**(536 869)**	306 769		
Total comprehensive income attributable to shareholders	**760 109**	1 838 755		
Headline earnings	**1 553 302**	1 610 648		

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000

2. INVESTMENT IN JOINT VENTURE (continued)

Summarised statement of financial position

	GROUP 2017 R'000	GROUP 2016 R'000
Non-current assets	**8 492 115**	8 312 169
Cash and cash equivalents	**1 183 120**	1 032 402
Other current assets	**10 810 972**	10 597 320
Total assets	**20 486 207**	19 941 891
Non-controlling interest	**(301 124)**	(15 262)
Non-current financial liabilities	**(3 567 180)**	(1 200 000)
Other non-current liabilities	**(953 851)**	(750 938)
Current financial liabilities (excluding trade and other payables and provisions)	**(1 276 234)**	(3 726 589)
Other current liabilities	**(3 845 692)**	(3 592 105)
Net assets	**10 542 126**	10 656 997
Reconciliation to carrying value		
Capevin Holdings' effective interest	**26.74%**	26.77%
Capevin Holdings' effective interest in net assets	**2 819 439**	2 852 443
Carrying value at 30 June	**2 819 439**	2 852 443
Fair value of investment based on the JSE Ltd closing price on 30 June	**8 038 925**	9 493 453

3. AVAILABLE-FOR-SALE ASSET

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
Unlisted investments - Historical Homes of South Africa Ltd	**-**	-	**-**	-
Balance at the beginning of the year	**-**	1 800	**-**	1 800
Fair value adjustment for the year	**-**	(150)	**-**	(150)
Disposal	**-**	(1 650)	**-**	(1 650)
Balance at the end of the year	**-**	-	**-**	-

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

4. CASH AND CASH EQUIVALENTS

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
Cash at bank	**23 364**	15 871	**23 364**	15 871

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

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
880 103 265 ordinary shares of no par value	**2 492 046**	2 492 046	**2 492 046**	2 492 046

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	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
Accounted for in other comprehensive income	**-**	(28)	**-**	(28)
Realised on disposal of investment	**-**	(307)	**-**	(307)
	-	-	**-**	-

Deferred tax on available for sale assets was 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 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
7. INVESTMENT INCOME				
Dividend income				
Dividends received from Remgro-Capevin Investments (Pty) Ltd	**-**	-	**222 374**	207 119
Dividends received from available-for-sale financial asset	**-**	10	**-**	10
Interest income				
Cash and cash equivalents	**1 831**	1 442	**1 831**	1 442
	1 831	1 452	**224 205**	208 571

	GROUP 2017 R'000	GROUP 2016 R'000	COMPANY 2017 R'000	COMPANY 2016 R'000
8. ADMINISTRATIVE EXPENSES				
Auditor's remuneration (audit services)	**193**	178	**193**	178
Current year	**188**	174	**188**	174
Prior year under-provision	**5**	4	**5**	4
Directors' emoluments	**239**	136	**239**	136
Professional fees	**215**	53	**215**	53
Other administrative expenses	**2 283**	1 795	**2 283**	1 795
	2 930	2 162	**2 930**	2 162

	GROUP		COMPANY	
	2017	2016	**2017**	2016
	R'000	R'000	**R'000**	R'000

9. TAXATION

South African normal tax				
Current year	**513**	496	**513**	496

Tax rate reconciliation:	**%**	%	**%**	%
Standard rate for companies	**28.00**	28.00	**28.00**	28.00
Share of profit of joint venture	**(27.99)**	(27.85)	**-**	-
Exempt dividend income	**-**	-	**(27.98)**	(27.71)
Dividends forfeited	**(0.10)**	(0.09)	**(0.16)**	(0.17)
Non-deductible expenses	**0.24**	0.15	**0.37**	0.30
Non-taxable portion of capital profit on disposal of investment	**-**	(0.09)	**-**	(0.18)
Effective tax rate	**0.15**	0.12	**0.23**	0.24

10. CASH FLOW INFORMATION

10.1 DIVIDENDS RECEIVED

Dividends accounted for in investment income	**-**	10	**222 374**	207 129
Dividends from joint venture set off against investment	**222 374**	207 119	**-**	-
	222 374	207 129	**222 374**	207 129

10.2 TAXATION PAID

Unpaid at the beginning of the year	**42**	37	**42**	37
Per profit or loss	**513**	496	**513**	496
Unpaid at end of the year	**(18)**	(42)	**(18)**	(42)
	537	491	**537**	491

	GROUP	
	2017	2016
	R'000	R'000

11. EARNINGS PER SHARE

The calculation of earnings per share is based on the following:		
Earnings attributable to ordinary shareholders	**345 161**	409 831
Headline earnings adjustable items		
Gain on disposal of investment	**-**	(1 650)
Tax effect on gain of disposal of investment	**-**	92
Loss on dilution of interest in joint venture	**1 619**	2 527
Share of joint venture's adjustments		
Impairment of property, plant and equipment*	**84 120**	-
(Profit)/loss on sale of property, plant and equipment	**(19 058)**	491
Taxation relating to sale of property, plant and equipment	**3 522**	(91)
Impairment of intangible asset*	**-**	21 463
Headline earnings	**415 364**	432 663

* The impairments relate to Distell's investments in the Bisquit cognac entity, a British wine broking company and the industrial property rights held by one of Distell's Angolan subsidiaries.

Weighted number of shares in issue ('000)	**880 103**	880 103
Earnings per share (cents)		
- Basic	**39.2**	46.6
- Diluted	**39.2**	46.4
Headline earnings per share (HEPS) (cents)		
- Basic	**47.2**	49.2
- Diluted	**47.1**	49.0

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.

12. RELATED PARTY TRANSACTIONS

During the year the Group received dividends from Remgro-Capevin Investments (Pty) Ltd (a joint venture) of R222 374 460 (2016: R207 119 220) and paid administrative fees of R1 049 135 (2016: R980 500) to Remgro Management Services Ltd (a subsidiary of an investor with significant influence over the Group). During the prior year, 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)	**2017**	**2016**
A E v Z Botha	**53 100**	37 200
R M Jansen	**66 400**	37 200
E G Matenge-Sebesho	**53 200**	24 800
C A Otto	**66 400**	37 200
	239 100	136 400

R93 100 of the fees paid for the year ended 30 June 2017 relates to the duties fulfilled by the independent Board as part of the simplification of the multi-tiered ownership structure of Distell.

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.

13. FINANCIAL RISK MANAGEMENT

The financial instruments in the statement of financial position on 30 June 2017 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, which approximates the items' fair value.

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 (Baa3) 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 prior year.

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.

Capital 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.

14. EVENTS AFTER THE REPORTING DATE

The investment in Distell is currently held through a multi-tiered ownership structure in which Capevin and Remgro Limited each owns 50% in Remgro-Capevin Investments Proprietary Limited (RCI). RCI, in turn, holds a 52.8% (on a fully diluted basis) direct investment in Distell. The board of directors resolved to simplify the ownership structure through schemes of arrangement in terms of which a new entity, Distell Group Holdings Limited (DGHL) will effectively acquire RCI and all other shareholders' direct and indirect interests in Distell in exchange for shares in DGHL. DGHL will be listed on the JSE limited, while Distell and Capevin will be delisted. Refer to the SENS announcement of 22 June 2017 for more detail.

During July 2017, Distell acquired 26% of the ordinary shares of Best Global Brands (BGB) for USD 54.6 million. It also entered into an agreement to acquire the remaining 74% of BGB's ordinary shares, which will become effective no earlier than the end of 2019 once certain operating hurdles are achieved and conditions precedent to closing are fulfilled or waived. BGB and Distell expect the transaction to generate significant synergies in the short to medium term, which will unlock further value for both parties.

Major beneficial shareholders	30 June 2017 %	30 June 2017 Number of shares	30 June 2016 %	30 June 2016 Number of shares
Remgro International Holdings (Pty) Ltd	**19.05**	**167 645 356**	15.56	136 978 200
Government Employees Pension Fund (PIC)	**12.05**	**106 100 342**	11.92	104 899 156
Other	**68.90**	**606 357 567**	72.52	638 225 909
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 2017.

Distribution of shareholders	30 June 2017	30 June 2016	30 June 2015
Ordinary shares			
Public shareholders	**6 314**	6 709	6 963
Percentage of shareholders	**99.97**	99.97	99.97
Number of shares	**606 357 567**	638 225 909	638 387 458
Percentage of shares issued	**68.90**	72.52	72.54
Non-public shareholders			
Shareholders holding more than 10%	**2**	2	2
Percentage of shareholders	**0.03**	0.03	0.03
Number of shares	**273 745 698**	241 877 356	241 715 807
Percentage of shares issued	**31.10**	27.48	27.46
Number of shareholders	**6 316**	6 711	6 965

Range of shareholding	30 June 2017 %	30 June 2017 Number of shareholders	%	Number of Shares
1 - 1 000	**9.15**	**578**	**0.03**	**255 836**
1 001 - 10 000	**44.35**	**2 801**	**1.38**	**12 111 554**
10 001 - 50 000	**27.11**	**1 712**	**4.62**	**40 689 424**
50 001 - 100 000	**7.63**	**482**	**4.02**	**35 376 176**
100 001 - 500 000	**9.14**	**577**	**13.54**	**119 136 973**
500 001 - 1 000 000	**1.17**	**74**	**5.96**	**52 421 397**
Over 1 000 000	**1.45**	**92**	**70.45**	**620 111 905**
	100.00	**6 316**	**100.00**	**880 103 265**