

CAPEVIN HOLDINGS PROPRIETARY LIMITED

Reg nr. 1997/020857/07

Audited annual financial statements - 30 June 2026

Consolidated annual financial statements

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CURRENCY OF FINANCIAL STATEMENTS

The annual financial statements are presented in South African rand (R).

The rand cost of a unit of the following major currencies at 30 June was:

	2026	2025
US dollar	16.39	17.72
UK pound	21.76	24.33
Euro	18.75	20.78
Taiwan dollar	0.52	0.61

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

for the year ended 30 June 2026

The South African Companies Act, No. 71 of 2008, as amended (the Companies Act) requires the directors to prepare annual financial statements for each financial year which fairly present the state of affairs of the Company and the Group and the profits or losses for the period. In preparing these annual financial statements, they must:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether set accounting standards have been followed, subject to any material departures disclosed and explained in the annual financial statements; and
- prepare the annual financial statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Group, to ensure the financial statements comply with the Companies Act. They have general responsibility for taking such steps as are reasonably accessible to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

These annual financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the Group, supported by reasonable and prudent judgements and estimates.

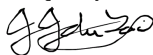
The board of directors approves any change in accounting policy and ensures that the effects thereof are appropriately reflected and disclosed in the annual financial statements.

The directors have reviewed the Group's budget and cash flow projections for a period of at least twelve months from the date of approval of these annual financial statements.

No event, material to the understanding of this report, has occurred between the financial year-end and the date of this report.

The annual financial statements as set out on pages 11 to 56 were supervised by the Group Financial Director, Werner Nolte CA(SA), approved by the board of directors and are signed on its behalf:

Signed by:



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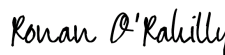
J du Toit

Chairman

Stellenbosch

30 September 2026

Signed by:



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R O'Rahilly

Group chief executive officer

SOCIAL AND ETHICS COMMITTEE REPORT

for the year ended 30 June 2026

The Social and Ethics Committee (the committee) assists the Board in overseeing and reporting on Capevin's ethics, responsible corporate citizenship, sustainable development, legal compliance and stakeholder relationships. The Committee operates in accordance with the requirements of the Companies Act (No. 71 of 2008), as amended (Companies Act), and the King IV Report on Corporate Governance for South Africa (2016) (King IV). This report describes, inter alia, how the committee has discharged its statutory duties in terms of the Companies Act and King IV.

Committee members and attendance at meetings

The committee comprises three suitably skilled and experienced members appointed by the Board. The members of the committee for the year under review are set out below. The chairman of the committee is Mr. Stefan Crouse, who is an independent non-executive director. In terms of the committee's mandate, at least one meeting should be held annually.

Committee member	Number of Meetings	Meetings Attended
S Crouse (Chairperson)	2	2
R O'Rahilly*	2	2
W Nolte*	2	2

* Both R O'Rahilly and W Nolte are members of the Management Board and also prescribed officers in terms of the Companies Act.

Role and responsibilities

The committee's role and responsibilities are governed by a formal charter as approved by the Board. The charter is subject to an annual review by the Board.

The main objectives of the committee are to assist the Board in monitoring the Group's performance in respect of ethics, responsible corporate citizenship, sustainable development, compliance and stakeholder relationships. This is done by, inter alia, monitoring many of the key sustainable development practices of the Group as set out below, thereby assisting the Board in achieving its objectives of doing business ethically and sustainably.

The committee is satisfied that it has fulfilled all its duties in accordance with its annual programme, as further detailed below.

Monitoring of sustainable development practices

In the execution of its duties, the committee has reviewed many of the key sustainable development practices of the Group, specifically relating to:

- ethics and compliance;
- investing in and supporting our communities;
- protection of whistleblowers;
- climate change
- health and public safety;
- compliance with the International Labour Organization's definition of "decent work";
- broad-based black economic empowerment;
- management of the Group's environmental impacts; and
- relevant regulatory, statutory, and legislative compliance.

Public reporting and assurance

The committee is required to report through one of its members to the Company's shareholders on the matters within its mandate at the Company's Annual General Meeting. In the notice of the Annual General Meeting, shareholders are referred to this report by the committee. Any specific questions to the committee may be sent to the Company Secretary prior to the meeting. Committee members will be attending the Annual General Meeting to deal with any questions.

Signed by:

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S Crouse
Chairman of the Social and Ethics Committee

Stellenbosch
30 September 2026

CERTIFICATE BY THE COMPANY SECRETARY

for the year ended 30 June 2026

In terms of section 88(2)(e) of the Companies Act I, Hesta von Zeuner, being company secretary of Capevin Holdings Proprietary Limited, hereby certify that all returns and notices of Capevin Holdings Proprietary Limited required in terms of the Companies Act have in respect of the year under review, been filed with the Companies and Intellectual Property Commission and that all such returns and notices appear to be true, correct and up to date.

Signed by:


A8EEE3DDF57F467...

Hesta von Zeuner

Company secretary

Stellenbosch

30 September 2026

REPORT OF THE BOARD OF DIRECTORS

for the year ended 30 June 2026

The board has pleasure in reporting on the activities and financial results for the year under review:

NATURE OF ACTIVITIES

The Company, incorporated in the Republic of South Africa, is an investment holding company.

The Group's principal trading activities are the distillation, blending, bottling, marketing and sale of Scotch whisky. The Group's strategic focus is growing its Scotch whisky and managing its investment property portfolio.

GROUP FINANCIAL REVIEW

Results

Year ended 30 June:	2026 R'000	2025 R'000
Revenue	1 810 047	1 922 909
Operating profit/(loss)	243 195	(692 955)
Attributable earnings to equity holders of the company	56 206	(811 847)
Total assets	7 482 861	7 899 699
Total liabilities	3 081 909	3 138 684

The annual financial statements on pages 11 to 56 set out fully the financial position, results of operations and cash flows of the Group for the financial year ended 30 June 2026.

	2026 R'000	2025 R'000
Dividends		
Group		
Total dividends for the year (R'000)	-	254 576
Company		
Total dividends for the year (R'000)	-	216 390

The Group declared a cash dividend of R1.00 per share during the previous financial year. The difference between the Group and Company dividend in the previous year relates to dividends paid to non-controlling shareholders in subsidiaries of the Group.

REPORT OF THE BOARD OF DIRECTORS

for the year ended 30 June 2026

KEY MATTERS IMPACTING THIS YEAR'S RESULTS

The following matters had specific material impacts on this year's financial results:

The 2026 financial year was a challenging year for Capevin with the backdrop of the state of the global Scotch Whisky category. The category is undergoing a period of rapid normalisation as distributors and retailers reduce elevated inventory levels. At the same time, ongoing geopolitical and macroeconomic uncertainty, coupled with persistently high inflation and interest rates, has resulted in softer consumer demand. Premiumisation has slowed in the short term as consumers increasingly trade down or purchase less frequently given lower discretionary income levels. In addition, structural consumer changes are evident, particularly among younger legal-drinking-age consumers, where abstinence, moderation and growth in low- and no-alcohol beverages are increasingly part of consumption across the world.

Capevin's Net Revenue for the 2026 financial year decreased by 5.9% to R1,810 million and was primarily driven by the declines of its Blended Scotch category. Encouragingly, despite the overall industry decline in the Scotch Whisky category, CVH Spirits increased its Revenue from its Single Malt portfolio — led by Bunnahabhain and Deanston — by double digits compared to the previous financial year.

Given the challenges and overall decline in the Scotch whisky category, the Group recognised an impairment loss of R88.1 million relating to the Scottish Leader and Black Bottle trademarks. The impairment loss is shown under 'other gains and losses' in the income statement. The performance outlook for this business remains strong and the group believes that its portfolio of premium single malts with its scarcity, availability of aged liquid and strong heritage positions itself as an attractive option for both customers and consumers, which will ultimately drive shareholder value. In addition to the Scotch Whisky business, Capevin also owns a small number of properties in Stellenbosch from which it earns rental income. During the year Capevin sold the Oude Libertas and Bergkelder properties and delivered a profit on sale of R272 million. The profit of sale of investment property is shown under 'other gains and losses' in the income statement.

SUBSIDIARY COMPANIES AND INVESTMENTS

No subsidiaries were acquired during the current or prior year.

DIRECTORS

Directors who served during the year are as follows:

Johannes (Jan) Du Toit (Appointed 5 June 2023)	Non-executive
Stefan Crouse (Appointed 5 June 2023)	Non-executive
Mariza Lubbe (Appointed 5 June 2023, resigned 5 May 2026)	Non-executive
Lwanda Zingitwa (Appointed 5 June 2023)	Non-executive
Alberto Bozzi (Appointed 17 September 2024)	Non-executive
Botsang Ramorwa (Appointed 14 November 2024)	Non-executive
Kelebogile Ruth Shoko (Appointed 2 September 2025) (Alternate to B Ramorwa)	Non-executive

DIRECTORS' INTERESTS AND EMOLUMENTS

Particulars of the emoluments of directors and their interests in the issued share capital of the Company and in contracts are disclosed in notes 29 of the annual financial statements.

ULTIMATE HOLDING COMPANY

The ultimate holding company of the Group is Remgro Limited.

HOLDING COMPANY

The immediate holding company of the Group is Remgro Beverages Proprietary Limited

REPORT OF THE BOARD OF DIRECTORS

for the year ended 30 June 2026

SECRETARY AND REGISTERED ADDRESS

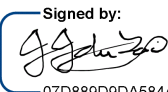
The company secretary is Hesta von Zeuner.

The Company's registered address is: Millennia Office Park, 16 Stellantia Avenue, Stellenbosch, Western Cape, 7600

APPROVAL

The annual financial statements set out on pages 11 to 56 have been approved by the board.

Signed on behalf of the board of directors:

Signed by:

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J du Toit
Chairman

Stellenbosch
30 September 2026

Signed by:

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R O'Rahilly
Group chief executive officer



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 3 Dock Road
 V&A Waterfront
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 Cape Town 8000

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 Docex 57 Cape Town
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Co. Reg. No. 2005/002308/21

Independent Auditor's Report

To the Shareholders of Capevin Holdings Proprietary Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Capevin Holdings Proprietary Limited and its subsidiaries ('the group') and company set out on pages 11 to 56, which comprise the consolidated and separate statements of financial position as at 30 June 2026, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 June 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the 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 of the group and company and 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 of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 56 page document titled "Capevin Holdings Proprietary Limited Audited Annual Financial Statements for the year ended 30 June 2026", which includes the Directors' Responsibilities for financial reporting, Social and Ethics committee report, Certificate by the Company Secretary and Report of the Directors, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.



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

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

If, based on the work we have performed, 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 Consolidated and Separate Financial Statements

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

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

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

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

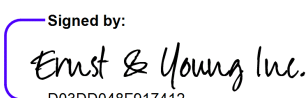
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

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

Signed by:

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Ernst & Young Inc.
Director: Danie Buys
Registered Auditor
Chartered Accountant (SA)
30 September 2026

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2026

		GROUP		COMPANY	
		30 June	30 June	30 June	30 June
		2026	2025	2026	2025
NOTES		R'000	R'000	R'000	R'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	1 938 457	2 188 243	-	-
Investment properties	3	32 215	91 797	-	-
Investments in subsidiaries	4	-	-	2 573 150	3 379 000
Intangible assets	5	466 376	620 610	-	-
Deferred income tax assets	11	13 725	13 213	141	-
Total non-current assets		2 450 774	2 913 863	2 573 292	3 379 000
Current assets					
Inventories	6	4 113 553	4 228 639	-	-
Trade and other receivables	7	326 561	341 830	-	1
Current income tax assets		-	52 170	-	-
Cash and cash equivalents	20.9	591 972	363 197	8 540	8 956
Total current assets		5 032 087	4 985 836	8 540	8 957
Total assets		7 482 861	7 899 699	2 581 832	3 387 957
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	8	11 399 304	11 399 304	11,399,304	11 399 304
Other reserves	9	(9 252 767)	(8 808 931)	-	-
Retained earnings		2 043 926	1 991 000	(8,871,992)	(8 061 030)
Attributable to equity holders of the Company		4 190 463	4 581 373	2,527,312	3 338 274
Non-controlling interest		210 488	179 642	-	-
Total equity		4 400 951	4 761 015	2,527,312	3 338 274
Non-current liabilities					
Interest-bearing borrowings	10	2 274 563	2 178 212	-	-
Deferred income tax liabilities	11	396 935	429 907	-	-
Total non-current liabilities		2 671 498	2 608 119	-	-
Current liabilities					
Trade and other payables	12	383 917	501 988	54 320	49 465
Interest-bearing borrowings	10	25 108	24 720	-	-
Current income tax liabilities		1 387	3,857	199	218
Total current liabilities		410 411	530 565	54 519	49 683
Total equity and liabilities		7 482 861	7 899 699	2 581 831	3 387 957

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE

	NOTES	GROUP 2026 R'000	2025 R'000	COMPANY 2026 R'000	2025 R'000
Revenue	13	1 810 047	1 922 909	-	216 390
Operating costs	14	(1 771 071)	(1 840 849)	(5 641)	(27 770)
Costs of goods sold		(1 138 910)	(1 236 827)	-	-
Sales and marketing costs		(382 221)	(380 663)	-	-
Distribution costs		(41 604)	(26 517)	-	-
Administration and other costs		(207 198)	(194 697)	(5 641)	(27 770)
Net impairment gains/(losses) on financial assets		(1 138)	(2 145)	-	-
Other gains and (losses)	15	204 219	(775 015)	(805 850)	(1 904 000)
Operating profit/(loss)		243 195	(692 955)	(811 491)	(1 715 380)
Finance income	16	17 342	30 131	584	945
Finance costs	17	(119 012)	(109 446)	-	-
Profit/(Loss) before taxation		141 525	(772 270)	(810 907)	(1 714 435)
Taxation	18	(54 474)	(36 805)	(56)	(256)
Profit/(Loss) for the year from continuing operations		87 052	(809 075)	(810 963)	(1 714 691)
Profit/(Loss) for the year		87 052	(809 075)	(810 963)	(1 714 691)
Attributable to:					
Equity holders of the Company		56 206	(811 847)	(810 963)	(1 714 691)
Non-controlling interest		30 846	2,772	-	-
		87 052	(809 075)	(810 963)	(1 714 691)

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE

	NOTES	GROUP 2026 R'000	2025 R'000	COMPANY 2026 R'000	2025 R'000
Profit/(Loss) for the year		87 052	(809 075)	(810 963)	(1714 691)
Other comprehensive income (net of taxation)					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences	9	(447 116)	119 666	-	-
Other comprehensive (losses)/income		(447 116)	119 666	-	-
Total comprehensive income/(losses) for the year		(360 064)	(689 409)	(810 963)	(1714 691)
Attributable to:					
Equity holders of the Company		(390 910)	(692 181)	(810 963)	(1714 691)
Non-controlling interest		30 846	2 772	-	-
		(360 064)	(689 409)	(810 963)	(1714 691)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE

Group	NOTES	Attributable to equity holders				Non-controlling interest	Total equity
		Share capital and premium	Other reserves	Retained earnings	Total		
		R'000	R'000	R'000	R'000	R'000	R'000
2026							
Balance at 1 July 2025		11 399 304	(8 808 931)	1 991 000	4 581 373	179 642	4 761 015
Comprehensive income							
Profit/(loss) for the year		-	-	56 206	56 206	30 846	87 052
Other comprehensive income (net of taxation)							
Currency translation differences	9	-	(443 835)	(3 280)	(447 116)	-	(447 116)
Total other comprehensive losses		-	(443 835)	(3 280)	(447 116)	-	(447 116)
Total comprehensive income for the year		-	(443 835)	52 925	(390 910)	30 846	(360 064)
Total transactions with owners		-	-	-	-	-	-
Balance at 30 June 2026		11 399 304	(9 252 767)	2 043 926	4 190 463	210 488	4 400 951

Group	NOTES	Attributable to equity holders				Non-controlling interest	Total equity
		Share capital and premium	Other reserves	Retained earnings	Total		
		R'000	R'000	R'000	R'000	R'000	R'000
2025							
Balance at 1 July 2024		11 399 304	(8 927 034)	3 017 674	5 489 944	215 056	5 705 000
Comprehensive income							
Profit/(loss) for the year		-	-	(811 847)	(811 847)	2 772	(809 075)
Other comprehensive income (net of taxation)							
Currency translation differences	9	-	118 103	1,563	119 666	-	119 666
Total other comprehensive income		-	118 103	1 563	119 666	-	119 666
Total comprehensive income for the year		-	118 103	(810 284)	(692 181)	2 772	(689 409)
Transactions with owners							
Dividends paid		-	-	(216,390)	(216 390)	(38 186)	(254 576)
Total contributions by and distributions to owners		-	-	(216 390)	(216 390)	(38 186)	(254 576)
Total transactions with owners		-	-	(216 390)	(216 390)	(38 186)	(254 576)
Balance at 30 June 2025		11 399 304	(8 808 931)	1 991 000	4 581 373	179 642	4 761 015

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE

Company	NOTES	Share capital and premium	Retained earnings	Total
		R'000	R'000	R'000
2026				
Balance at 1 July 2025		11 399 304	(8 061 029)	3 338 275
Comprehensive income				
Loss for the year			(810 963)	(810 963)
Total comprehensive income for the year		-	(810 963)	(810 963)
Transactions with owners				
Dividends paid		-	-	-
Total transactions with owners		-	-	-
Balance at 30 June 2026		11 399 304	(8 871 992)	2 527 312
Company	NOTES	Share capital and premium	Retained earnings	Total
		R'000	R'000	R'000
2025				
Balance at 1 July 2024		11 399 304	(6 129 948)	5 269 356
Comprehensive income				
Profit/(loss) for the year			(1 714 691)	(1 714 691)
Total comprehensive income for the year		-	(1 714 691)	(1 714 691)
Transactions with owners				
Proceeds from ordinary shares issued	8	-	-	8
Shares repurchased		-	-	-
Dividends paid		-	(216 390)	(216 390)
Total transactions with owners		-	(216 390)	(216 390)
Balance at 30 June 2025		11 399 304	(8 061 029)	3 338 275

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE

		GROUP	2025	COMPANY	2025
	NOTES	2026 R'000	R'000	2026 R'000	R'000
Cash flows from operating activities					
Operating profit		243 195	(692 955)	(811 491)	(1,715,380)
Non-cash flow items	20.1	(106 098)	865 970	805 673	1 904 112
Working capital changes	20.2	(259 270)	(476,864)	4 835	25 403
Cash (outflow)/inflow from operations		(122 172)	(303 849)	(983)	214 135
Finance income	20.3	17 342	30 131	584	946
Finance costs	20.4	(119 012)	(109 446)	-	-
Taxation (paid)/refunded	20.5	(56 042)	(54 378)	(17)	(78)
Net cash (outflow)/inflow from operating activities		(279 884)	(437 542)	(416)	215 003
Cash flows from investment activities					
Purchases of property, plant and equipment (PPE) to maintain operations	20.7	(93 758)	(232,807)	-	-
Purchases of PPE to expand operations	20.8	(26 388)	(23,104)	-	-
Proceeds from disposal of PPE		108	16,206	-	-
Proceeds from investment properties		332 000	-	-	-
Purchases of intangible assets	5	(3 646)	(28,835)	-	-
Cash (outflow)/inflow from investing activities		208,316	(268 540)	-	-
Cash flows from financing activities					
Proceeds from borrowings	20.10	324 127	775 664	-	-
Lease payments	21.3	(35 516)	(37 040)	-	-
Dividends paid to Company's shareholders	20.6	-	(216 390)	-	(216 390)
Dividends paid to non-controlling interests	20.6	-	(38 186)	-	-
Cash inflow/(outflow) from financing activities		288,611	484 048	-	(216 390)
(Decrease)/increase in net cash, cash equivalents and bank overdraft	20.9	217 043	(222 034)	(416)	(1 387)
Cash, cash equivalents and bank overdrafts at the beginning of the year		363 197	580 182	8 956	10 457
Exchange gains on cash, cash equivalents and bank overdrafts		11 732	5 049	-	-
Cash, cash equivalents and bank overdrafts at the end of the year		591 972	363 197	8 540	9 070

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. MATERIAL ACCOUNTING POLICY INFORMATION

1.1 Basis of preparation

The consolidated and separate financial statements of Capevin Holdings Proprietary Limited are prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and the IFRS Interpretations Committee (IFRS IC) interpretations, and the SAICA Financial Reporting Guides as issued by the International Accounting Standards Board and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, No. 71 of 2008, as amended. The annual financial statements have been prepared on a historical cost basis, except for the following:

Standards and amendments applicable to the Group effective for the first time:

- *Lack of exchangeability - Amendments to IAS21 (effective 1 January 2025)*
- *Annual Improvements to IFRS Accounting Standards - IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (effective 01 January 2026)*
- *IFRS 7 and 9 amendment - Classification and Measurement of Financial Instruments (effective 01 January 2026)*

The amendments listed above did not have any impact on the amounts recognised in the current and prior periods and are not expected to significantly affect future periods.

The Group did not early adopt amendments that were not effective in 2026.

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

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 30 June 2026, but not yet effective on that date. Management is in the process of assessing the impact of these standards, interpretations and amendments on the reported results of the Group. These standards are not expected to have a material impact on the entity in future reporting periods and on foreseeable future transactions.

The standards that are applicable to the Group, but were not implemented early, are the following:

- *IFRS 18 amendment - Presentation and Disclosure in Financial Statements (effective 01 January 2027)*
- *IFRS 19 amendment - Subsidiaries without Public Accountability: Disclosures (effective 01 January 2027)*
- *IAS 21 amendment - The Effects of Changes in Foreign Exchange Rates (effective 01 January 2027)*
- *IFRS 10 and IAS 28 amendment - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date to be determined)*

1.2 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future and these accounting estimates are an integral part of the preparation of financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a) Estimated impairment of goodwill and intangible assets

The Group tests annually whether goodwill and intangible assets with indefinite useful lives have suffered any impairments, in accordance with the accounting policy stated in note 1.8. 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. Calculation of these amounts require the use of estimates. Further details are provided in note 5.

b) Impairment of financial assets

The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement the Group evaluates, among other factors, the expected loss rates based on historical information and adjusted to reflect current and forward-looking information and macro-economic factors. Further details are included in notes 7 and 24.

c) Property, plant and equipment (PPE)

The Group exercises judgement in estimating the useful lives, residual values and depreciation methods of property, plant and equipment. These estimates are reviewed annually and are based on historical experience and expected future utilisation. Changes in these assumptions could materially affect future depreciation charges and the carrying values of property, plant and equipment.

d) Investment property

The Group exercises judgement in estimating the useful lives, residual values and depreciation methods of investment property. These estimates are reviewed annually and are based on historical experience and expected future utilisation. Changes in these assumptions could materially affect future depreciation charges and the carrying values of investment property.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.3 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) that are, directly or indirectly, controlled by the Group. Control is established where the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which effective control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement. Transactions with owners are recognised in equity only when control is not lost.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Unrealised gains and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Unrealised losses are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The investment of Capevin Holdings Proprietary Limited in the ordinary shares of its subsidiary, Remgro-Capevin Investments Proprietary Limited, are carried at cost less impairment losses in the separate financial statements.

Changes in ownership interests in subsidiaries without change of control

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are prepared in South African rand (R), which is the Company's functional and the Group's presentation currency.

Foreign Group entities

The results and the financial position of all Group entities that have a functional currency that is different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of
- Income and expenses for each income statement presented are translated at the rate on the dates of the transactions.
- All resulting exchange differences are recognised in other comprehensive income as part of a foreign currency translation reserve (FCTR).
- On consolidation, exchange rate differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, if applicable, are also taken to the FCTR. When a foreign operation is sold, all related exchange rate differences that were recorded in the FCTR are recognised in the income statement as part of the profit or loss on sale. When a partial disposal takes place, the FCTR is proportionately reattributed to the non-controlling shareholders in terms of IAS 21. The Group's net investment in a subsidiary or joint venture is equal to the equity investment plus all monetary items that are receivable from or payable to the subsidiary or joint venture, for which settlement is neither planned nor likely to occur in the foreseeable future.
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'costs of goods sold'.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial assets at fair value through other comprehensive income (FVOCI) are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial assets at FVOCI are recorded in other comprehensive income.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.5 Property, plant, equipment

PPE are tangible assets held by the Group for use in the manufacturing and distribution of its products and are expected to be used during more than one period. All PPE are stated at historical costs less subsequent depreciation and accumulated impairment. The historical cost includes all expenditure that is directly attributable to the acquisition of the PPE and is depreciated on a straight-line basis, from the date that assets are available for use, at rates appropriate to the various classes of assets involved, taking into account the estimated useful life and residual values of the individual items.

Returnable bottles, pallets and divider boards in circulation are recorded within PPE and a corresponding liability is recorded at the point of the sale of the products packaged in these items in respect of the obligation to repay the customers' deposits. Deposits paid by customers for returnable items are reflected in the consolidated statement of financial position within current liabilities. Refer to note 1.18 for further details in this regard.

Land is not depreciated as it is deemed to have an unlimited useful life. Improvements to leasehold properties are recognised as PPE when it is probable that future economic benefits will flow to the Group. Improvements to leasehold properties are shown at cost and written off over the shorter of its useful life or the remaining period of the lease. Assets under construction are defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not depreciated. Depreciation on these assets commences when they become available for use and depreciation periods are based on management's assessment of their useful lives, or in the case of leasehold improvements and certain leased plant and equipment, the shorter of the lease term or the useful life of the assets.

Management determines the estimated useful lives and the related depreciation charges at acquisition.

Useful lives	
Buildings	5 - 60 years
Stainless steel tanks	3 - 65 years
Other machinery and barrels	2 - 45 years
Equipment and vehicles	2 - 33 years
Right-of-use assets: equipment and vehicles	2 - 5 years
Right-of-use assets: property	2 - 7 years
Returnable containers:	
Crates:	14 years
Pallets and divider boards:	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, to the extent that it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is calculated as the higher of the asset's fair value less costs to sell and the value in use. Also refer to note 1.8 for impairment of non-financial assets.

Gains and losses on disposal or scrapping of PPE, this being the difference between the net proceeds on disposals or scrappings and the carrying amount, are recognised in the income statement within 'other gains and losses'.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.6 Investment properties

Investment properties are tangible assets held by the reporting entity for capital appreciation and to earn rental income. Investment properties are stated at their historical costs less subsequent depreciation. The historical cost includes all expenditure that is directly attributable to the acquisition of the investment property and is depreciated on a straight-line basis, from the date of acquisition, at rates appropriate to the various classes of assets involved, taking into account the estimated useful life and residual values of the individual items. Land is not depreciated, as it is deemed to have an indefinite life.

Management determines the estimated useful lives and the related depreciation charges at acquisition but will revise the depreciation charge where useful lives are subsequently found to be different from the previous estimate.

Investment properties' residual values and useful lives are reviewed at each balance sheet date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate. The useful lives of buildings are estimated to be between 5 to 60 years.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, to the extent that it is probable that future economic benefits associated with the item will flow to the reporting entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Gains and losses on disposal or scrapping of investment properties, being the difference between the net proceeds on disposals or scrapings and the carrying amount, are recognised in the statement of comprehensive income.

1.7 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the net identifiable assets of the acquired subsidiaries at the date of acquisition. Goodwill on acquisition of subsidiaries is included in 'intangible assets'. Goodwill on acquisition of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Goodwill denominated in a foreign currency is translated at closing rates.

Trademarks and other intangibles

Separately acquired trademarks and other intangibles, like customer relationships, that have a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives. Trademarks and other intangibles are deemed as having an indefinite useful life when there is no foreseeable limit on the time it is expected to provide future cash flows. Trademarks and other intangibles that are deemed to have an indefinite useful life are carried at cost less accumulated impairment losses and are tested annually for impairment.

Computer software

Acquired computer software (which is not an integral part of computer hardware) and software licences and the direct costs associated with the development and installation thereof are capitalised.

Costs associated with developing or maintaining software are recognised as an expense when incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use it or sell it
- There is an ability to use or sell the software product
- It can be demonstrated how the software product will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development
- The expenditure attributable to the software product during its development can be reliably measured

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Directly attributable costs that are capitalised as part of the software product include the software development employee cost and an appropriate portion of relevant overheads.

Computer software is depreciated on the straight-line method over its estimated useful life (three to 17 years) when available for use.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.8 Impairment of non-financial assets

Assets that have an indefinite useful life - or intangible assets not ready for use - are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the full carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (CGUs)). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at a company level (where it is attributed to a company) or CGU level which is lower than the operating segment level.

Goodwill and indefinite-lived intangible assets are reviewed for impairment annually, or more frequently if events or changes in circumstances indicate a potential impairment. Their carrying amounts are compared to their recoverable amounts, which is the higher of value in use and fair value less costs of disposal. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

1.9 Financial assets

Classification

The Group classifies its financial assets in the following categories:

- Financial assets at amortised cost

The classification is dependent on the purpose for which the financial asset was acquired. Management determines the classification of its financial assets at initial recognition. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. Debt investments are only reclassified when its business model for managing those assets changes.

Recognition and measurement

The Group measures a financial asset at its fair value at initial recognition. In the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset are added to the fair value. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative debt instruments with fixed or determinable payments of principal and interest. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'other gains and losses'. Impairment losses are presented as a separate line item in the statement of profit or loss.

Impairment of financial assets

The Group assesses the expected credit losses associated with its debt instruments carried at amortised cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Assets carried at amortised cost

The loss allowances for financial assets carried at amortised cost are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, as well as forward-looking estimates at the end of each reporting period. The debt instruments are considered to have minimal credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The investment in the savings bonds of the Reserve Bank of Zimbabwe is not considered to have minimal credit risk.

The calculation of the expected credit loss allowance on trade receivables is described in note 1.14.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.10 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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.

Current income tax

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 Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

The Group is subject to income taxes in numerous jurisdictions. Judgement may be required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination may be uncertain. The Group 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. Additional disclosure will be provided where this applies.

Deferred income tax

Deferred income tax is provided in full at currently enacted or substantially enacted tax rates using the liability method. Provision is made for all temporary differences arising between the taxation bases of assets and liabilities and their statement of financial position carrying values.

No deferred income tax is accounted for if it 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. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position 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. Management applies judgement to determine whether sufficient future taxable profit will be available after considering, among others, factors such as profit history, forecasted cash flows and budgets.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that it will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary differences for associates.

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 tax 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.

Taxation rates

The normal South African company tax rate used for the year ending 30 June 2026 is 27% (2025: 27%). Deferred tax assets and liabilities for South African entities at 30 June 2026 have been calculated using the rates currently enacted or substantially enacted, this being the rate that the Group expects to apply to the periods when the assets are realised or the liabilities are settled. Capital gains tax is calculated as 80% (2025: 80%) of the company tax rate. The normal United Kingdom company tax rate used for the year ending 30 June 2026 is 25,0% (2025: 25.0%). Other international tax rates vary from jurisdiction to jurisdiction.

Global minimum tax (Pillar Two)

Legislation implementing the OECD Pillar Two global minimum tax rules has been enacted in certain jurisdictions in which the Group operates. The Group has applied the mandatory temporary exception under IAS 12 Income Taxes, as amended by International Tax Reform – Pillar Two Model Rules (issued in May 2023), and accordingly has not recognised or disclosed deferred tax assets and liabilities arising from Pillar Two income taxes. Based on management's assessment, no material current tax exposure arose under enacted Pillar Two legislation for the year ended 30 June 2026.

Dividend withholding tax (DWT)

Shareholders are subject to DWT on dividends received, unless they are exempt in terms of the amended tax law. DWT is levied at 20% (2024: 20%) of the dividend received. The DWT is categorised as a withholding tax as the tax is withheld and paid to tax authorities by the company paying the dividend or by a regulated intermediary and not the beneficial owner of the dividend.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.11 Leases

The Group leases, warehouses, machinery, equipment and vehicles under non-cancellable lease agreements. The leases have varying terms, renewal rights and escalation clauses.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if applicable

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the incremental borrowing rate of the Group entity incurring the lease is used, being the rate that the individual company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses an internal borrowing rate, adjusted to reflect changes in financing conditions since third-party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, for example term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date less any lease incentives received,
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. A lease agreement of which the underlying asset's value is R80 000 or less will be considered a low-value lease.

Some property and equipment leases contain extension and termination options. These options provide operational flexibility for managing the assets required for the Group's operations. The majority of extension and termination options held are exercisable only by the Group lessee entity and not by the respective lessor.

Lessor accounting

The Group leases certain investment properties to tenants under operating lease arrangements. Rental income from these leases is recognised on a straight-line basis over the lease term and is included in profit or loss. The related investment properties are accounted for in accordance with the Group's accounting policy for investment property.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the applicable costs of completion and selling expenses.

1.13 Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 to 120 days, depending on the type of customer, and therefore are all classified as current. The Group holds the trade and other receivables with the objective to collect the contractual cash flows. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Expected credit losses are recognised using the simplified model based on a provision matrix which incorporates historical default rates of the debtors, adjusted for factors specific to the debtor including general economic conditions, both current and forecast.

The Group applies the general approach to measuring expected credit losses for all financial assets that are classified within other receivables. The stage the other receivable is classified in determines if a lifetime or 12-month expected credit loss allowance is recognised. For stage 1, where credit risk has not increased significantly since initial recognition, a 12-month loss allowance is used. For stage 2, where credit risk has increased significantly since initial recognition, and stage 3, where the financial asset is credit impaired, a lifetime credit loss is recognised.

Impairment losses on trade and receivables are presented as 'net impairment losses' within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

1.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included in current interest-bearing borrowings in the statement of financial position.

1.15 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 from proceeds, net of taxation.

Where entities controlled by the Group purchase the Company's shares, the consideration paid, including attributable transaction costs net of income taxes, is deducted from total shareholders' equity as treasury shares until they are sold or cancelled. Where such shares are subsequently sold, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the Company's equity holders. Dividends received on treasury shares are eliminated on consolidation.

1.16 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate

For returnable containers a liability is recorded in respect of the obligation to repay the customers' deposits, at the point of sale of the products packaged in these items. The deposit value is an amount imposed by the Group on the purchaser to expedite the return of the Group's containers for reuse. It is arbitrarily set by the Group with a view to the efficient use of the asset – it is not an attempt to value the asset nor to sell it, but is set to encourage the purchaser to return the container in return for the deposit. Deposits paid by customers for returnable items are reflected in the consolidated statement of financial position within current liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

If a modification of loan terms is not considered to result in an extinguishment of the initial borrowings, the cash flows of the modified borrowings are discounted at the original effective interest rate and the difference is recognised in profit or loss. A substantial debt modification or a debt exchange with substantially different terms is accounted for as an extinguishment of the original financial liability. This results in derecognition of the original loan and the recognition of a new financial liability at its fair value. The difference between the carrying amount of the original financial liability and the fair value of the new financial liability is recognised in profit or loss.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. When funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount to be capitalised is the actual borrowing costs less any temporary investment income on those borrowings. General borrowing costs are capitalised by calculating the weighted average expenditure on the qualifying asset and applying a weighted average borrowing rate to the expenditure.

The borrowing costs capitalised do not exceed the total borrowing costs incurred. The capitalisation of borrowing costs commences when expenditures for the asset have occurred, borrowing costs have been incurred or when activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when, substantially, all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

1.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

1.19 Employee benefits

Retirement funds

The Group provides pension, retirement or provident fund benefits to all permanent employees.

The schemes are generally funded through payments to insurance companies or trustee-administered funds, which are determined by periodic actuarial calculations.

A defined contribution plan is a plan under which the Group pays fixed contributions to a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans, in respect of services rendered in a particular period, are recognised as an expense in that period. Additional contributions are recognised as an expense in the period during which the associated services are rendered by employees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1.20 Revenue from contracts with customers and other income

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities, including excise duty, but net of value added tax (VAT), general sales taxes (GST), rebates and discounts, and after eliminating sales within the Group. The Group's revenue consists mostly of sales of liquor products delivered to customers at the point of sale and does not have multiple performance obligations included in it. The Group recognises revenue when it transfers control over a good to a customer.

Excise duty is not directly related to sales, unlike VAT. It is not recognised as a separate item on invoices. Increases in excise duty are not always directly passed on to customers and the Group cannot reclaim the excise duty where customers do not pay for products received. The Group considers excise duty as a cost to the Group and reflects it in 'costs of goods sold' and, consequently, any excise duty that is recovered in and forms part of the transaction price is included in revenue.

Revenue is recognised as follows:

Sales of goods are recognised when control of goods is transferred to the customer which is upon delivery of products and customer acceptance.

The Group manufactures and sells a range of alcoholic and non-alcoholic products in various categories and to a range of customers, including the wholesalers, retailers and redistributors. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss, i.e. risks and rewards of ownership, have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied and therefore has right to payment.

The products sold often include various types of discounts, including volume discounts based on aggregate sales and early settlement discounts which are considered to represent variable consideration. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability (included in trade and other payables) is recognised for expected discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with credit terms which are consistent with market practice.

The Group's obligation to replace or accept return of faulty products is recognised as a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) is recognised for the products expected to be returned. The value of the returned goods is based on the cost of the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a category level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

A receivable is recognised when control of goods is transferred upon delivery as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which is generally considered to be less than 12 months.

The Group makes payments in the form of various rebates and allowances to customers linked to distribution or sales and marketing functions carried out by them. Due to such consideration paid or payable to a customer of the Group not relating to distinct services provided by the customer to the Group, these costs are accounted for against revenue at the later of when the Group recognises revenue for the transfer of the related goods or when the Group pays or promises to pay the consideration to the customer.

Recognition of other income streams

- Interest income is recognised on a time-proportion basis using the effective interest rate method.
- Dividend income is recognised when the shareholder has an irrevocable right to receive payment.

1.21 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 shareholders.

Dividends in specie are recognised at the book value of the assets and liabilities distributed under the common control method of accounting.

1.22 Related parties

Individuals or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are also considered to be related parties and are defined as the directors of Capevin Holdings Proprietary Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

	Properties R'000	Machinery, tanks and barrels R'000	Equipment and vehicles R'000	Assets under construction R'000	Total R'000
2026					
Opening balance	1 044 324	1 106 416	37 503	-	2 188 243
Additions	27 963	82 435	7 736	2 012	120 146
Disposals and scrappings	(991)	(4 204)	(24)	-	(5 219)
Transfers	980	1 032	-	(2 012)	-
Depreciation	(38 098)	(90 329)	(10 374)	-	(138 801)
Exchange differences	(108 977)	(114 725)	(2 210)	-	(225 912)
	925 201	980 625	32 631	-	1 938 457
At cost	1 160 216	1 518 426	80 703	-	2 759 345
Accumulated depreciation and impairment	(235 015)	(537 801)	(48 072)	-	(820 888)
Net carrying value	925 202	980 625	32 631	-	1 938 457

2025					
Opening balance	735 998	812 645	43 624	170 157	1 762 424
Additions	264 333	231 413	2 550	9 549	507 845
Disposals and scrappings	(11 974)	(9 038)	(144)	-	(21 156)
Transfers	61 602	125 381	-	(186 983)	-
Depreciation	(39 593)	(86 123)	(10 227)	-	(135 943)
Exchange differences	33 958	32 138	1 700	7 277	75 073
	1 044 324	1 106 416	37 503	-	2 188 243
At cost	1 241 241	1 553 888	75 201	-	2 870 330
Accumulated depreciation and impairment	(196 917)	(447 472)	(37 698)	-	(682 087)
Net carrying value	1 044 324	1 106 416	37 503	-	2 188 243

	2026			2025		
	Properties R'000	Equipment and vehicles R'000	Total R'000	Properties R'000	Equipment and vehicles R'000	Total R'000
Right-of-use assets included in aforementioned categories:						
Opening balance	255 378	17 536	272 914	29 285	22 482	51 767
Additions	24 376	7 398	31 774	250 778	1 156	251 934
Disposals and scrappings	-	(16)	(16)	-	(1 724)	(1 724)
Depreciation	(24 483)	(6 133)	(30 616)	(25 087)	(6 895)	(31 982)
Exchange differences	(26 172)	(1 798)	(27 970)	402	2 517	2 919
	229 100	16 987	246 087	255 378	17 536	272 914
At cost	313 919	40 492	354 411	315 714	34 908	350 622
Accumulated depreciation and impairment	(84 819)	(23 505)	(108 324)	(60 336)	(17 372)	(77 708)
Net carrying value	229 100	16 987	246 087	255 378	17 536	272 914

Included in the right-of-use assets additions of R31.8 million is a lease modification of R13.7 million.

Depreciation of R126.6 million (2025: R122.8 million) is included in 'cost of goods sold', R1.3 million (2025: R2.5 million) is included in 'sales and marketing costs', R0.1 million (2025: R0 million) is included in 'distribution costs', and R10.2 million (2025: R10.5 million) is included in 'administration and other costs'.

The UK pound borrowing facility is secured by a bond and floating charge over the entirety of the assets and undertaking of CVH Spirits Limited, together with a standard security creating a fixed charge over each of the company's heritable properties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. INVESTMENT PROPERTIES

	Properties R'000	Total R'000
2026		
Opening balance	91 797	91 797
Additions	-	-
Disposals	(59 581)	(59 581)
Depreciation	-	-
	32 216	32 216
At cost	32 483	32 483
Accumulated depreciation and impairment	(267)	(267)
Net carrying value	32 216	32 216
2025		
Opening balance	91 797	91 797
	91 797	91 797
At cost	92 064	92 064
Accumulated depreciation and impairment	(267)	(267)
Net carrying value	91 797	91 797

During the year, the Group disposed of two investment properties situated in Stellenbosch, Western Cape, resulting in a reduction in the carrying value of investment properties of R59.6 million. The remaining investment properties comprise an office building, a function venue and a commercial property situated in Stellenbosch, Western Cape and held under various title deeds. The fair value of these properties was determined at R151.0 million (2025: R376.0 million) based on independent professional valuations performed on 26 February 2025. The valuations were performed using market-based valuation techniques and comparable market evidence, incorporating significant unobservable inputs, and are categorised as Level 3 within the IFRS 13 fair value hierarchy. The reduction in fair value compared to the prior year is primarily attributable to the disposal of the Bergkelder and Oude Libertas properties during the year.

4. INVESTMENTS IN SUBSIDIARIES

Company

Investments in subsidiaries (note 26)

Opening balance	3 379 000	5 283 000
Reversal of impairment/(Impairment)	(805 850)	(1 904 000)
Balance at the end of the year	2 573 150	3 379 000

Impairment tests of investments in subsidiaries

The Company's investment in Remgro-Capevin Investments Proprietary Limited was tested for impairment during the year following the continued challenging trading conditions experienced by CVH Spirits Limited. The recoverable amount was determined using a value-in-use calculation based on forecast future cash flows derived from board-approved budgets and forecasts over a ten-year period. The resulting valuation incorporates significant estimates and assumptions, including forecast revenue growth rates, long-term growth rates and discount rates. The discount rates applied reflect current market assessments of the time value of money and the specific risks associated with the underlying operations. The key assumptions used in the valuation are set out below. As a result of the impairment assessment, an impairment loss of R805.9 million (2025: R1,904.0 million) was recognised against the investment during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026		2025	
	R '000		R '000	
5. INTANGIBLE ASSETS				
	Capitalised software R '000	Goodwill R '000	Trademarks and other intangibles R '000	Total R '000
2026				
Opening balance	55 624	-	564 986	620 610
Additions	3 646	-	-	3 646
Impairments	-	-	(88 068)	(88 068)
Amortisation	(5,557)	-	-	(5 557)
Exchange differences	(5 661)	-	(58 594)	(64 256)
Balance at the end of the year	48 052	-	418 323	466 376
Cost	56 686	1 273	650 201	708 160
Accumulated amortisation and impairment	(8 633)	(1 273)	(231 878)	(241 784)
Net carrying value	48 052	-	418 323	466 376
Finite useful life	48 052	-	-	48 052
Indefinite useful life	-	-	418 323	418 323
	48 052	-	418 323	466 376
2025				
Opening balance	28 219	766 184	542 936	1 337 339
Additions	28 835	-	-	28 835
Impairments	-	(798 952)	-	(798 952)
Amortisation	(2,537)	-	-	(2,537)
Exchange differences	1,107	32 768	22 050	55 925
Balance at the end of the year	55 624	-	564 986	620 610
Cost	59 163	1 273	727 007	787 443
Accumulated amortisation and impairment	(3 539)	(1 273)	(162 021)	(166 833)
Net carrying value	55 624	-	564 986	620 610
Finite useful life	55 624	-	-	55 624
Indefinite useful life	-	-	564 986	564 986
	55 624	-	564 986	620 610

Amortisation is included in 'administration and other costs' in the income statement.

Included in trademarks and other intangibles are brand names, customer relationships and distribution rights relating to the acquisition of CVH Spirits Limited (previously Distell International Limited).

Management regards the trademarks as having an indefinite useful life as there are no foreseeable limits on the time the trademarks are expected to provide future cash flows. The trademarks are protected in all the major markets where they are sold and there is not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands. The brands included in trademarks above are Scottish Leader, Black Bottle, Bunnahabhain, Tobermory and Deanston.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R '000	2025 R '000
5. INTANGIBLE ASSETS (continued)		
Goodwill		
CVH Spirits Limited (previously named Distell International Limited)	-	-
	-	-

Trademarks and other intangibles
Useful life classification
CVH Spirits Limited (previously named Distell International Limited)

Black Bottle	Indefinite	6 508	51 596
Scottish Leader	Indefinite	278 990	365 181
Bunnahabhain	Indefinite	88 456	98 701
Deanston	Indefinite	18 192	20 299
Tobermory	Indefinite	13 274	14 811
Ledaig	Indefinite	12 904	14 398
		418 323	564 986

The finite useful life intangible assets are amortised over a period of between three and seventeen years. There are no internally generated trademarks recorded.

Discount rates

The discount rates used are the weighted average cost of capital (WACC) which reflects the returns on government bonds specific to the CGUs to which the intangible assets are attributed. The discount rates used have been adjusted to reflect specific risks relating to the CGU's under consideration. In cases where the CGU is deemed to be at greater risk than the Group as a whole, a risk premium has been included within the discount rate applied. The discount rates reflects the markets in which the sales occur.

Growth rates

In determining the growth rate, consideration is given to the growth potential of the respective CGU. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the business.

Impairment tests for goodwill and indefinite useful life trademarks and trade names

Goodwill and indefinite useful life intangible assets are tested for impairment annually, and more frequently where indicators of impairment exist.

During the prior year, a goodwill impairment loss of R798.9 million was recognised in relation to CVH Spirits Limited, resulting in the goodwill balance being fully impaired. The impairment arose primarily from a deterioration in trading conditions within the global whisky industry, including reduced consumer demand in key markets, lower forecast profitability, higher discount rates and lower long-term growth expectations. As no goodwill remained at 30 June 2026, no goodwill impairment loss was recognised in the current year.

The Group's indefinite useful life trademarks and trade names comprise the Black Bottle, Scottish Leader, Bunnahabhain, Deanston, Tobermory and Ledaig brands. The recoverable amounts of these trademarks and trade names were determined using fair value less costs of disposal ("FVLCD"). The valuations were performed using the relief-from-royalty method, which estimates the value of the trademarks based on the present value of future royalty payments that are avoided through ownership of the trademarks.

The resulting fair value measurements are categorised within Level 3 of the IFRS 13 fair value hierarchy, as the valuations incorporate significant unobservable inputs. Key assumptions used in determining the recoverable amounts include forecast revenue growth rates, royalty rates, terminal growth rates and discount rates. These assumptions are based on management's best estimates of future business performance, taking into account historical trading results, approved budgets and forecasts, expected market developments and industry-specific factors.

As part of the annual impairment assessment, an impairment loss of R88.1 million was recognised in respect of the Group's indefinite useful life trademarks and trade names, comprising R48.3 million relating to the Scottish Leader trademark and R39.8 million relating to the Black Bottle trademark. The impairments were primarily driven by changes in forecast revenue growth, profitability expectations, discount rates and long-term growth assumptions resulting from continued challenging market conditions within the global spirits industry. No impairment was recognised in respect of the Group's remaining indefinite useful life trademarks and trade names. The sensitivity of the recoverable amounts to changes in key assumptions is presented below.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R '000	2025 R '000
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5. INTANGIBLE ASSETS (continued)

The key assumptions used in the current year's fair value less costs to sell calculation performed for the trademarks and other intangibles' impairment assessment were as follows:

Trademarks and other intangibles	Royalty Rate	2026 Long-term growth rates	Average Discount rate
Black Bottle	3.0%	3.5%	8.1%
Scottish Leader	6.0%	1.0%	10.3%

Sensitivity analysis of the assumptions used in the current year's impairment tests:

Trademarks and other intangibles	Royalty rate -1.0% R '000	Discount rate +1.0% R '000	Discount rate -1.0% R '000	Long-term growth rate -0.5% R '000	Long-term growth rate +0.5% R '000
Black Bottle	41 921	40 910	37 961	39 430	41 073
Scottish Leader	95 354	77 369	13 394	53 770	43 597

The above sensitivity analyses reflect changes in individual assumptions, with all other assumptions held constant. Any adverse changes in the key assumptions would result in further impairment.

	2026 R '000	2025 R '000
The amount by which the recoverable amount exceeds the carrying value is as follows:		
Black Bottle	-	19 068
Scottish Leader	-	149 172

The key assumptions used in the prior year's value-in-use calculation performed for the goodwill impairment assessment were as follows:

	Forecast growth rate	2025 Long-term growth rates	Discount rate
CVH Spirits Limited	8.0%	3.4%	6.6%

Sensitivity analysis of the assumptions used in the prior year's impairment tests:

	Forecast growth rate -2.0% R '000	Discount rate +1.5% R '000	Discount rate +0.5% R '000	Long-term growth rate -0.5% R '000	Long-term growth rate -1.5% R '000
CVH Spirits Limited	3 942 660	20 868 820	1 114 332	961 028	1 732 859

The above sensitivity analyses reflect changes in individual assumptions, with all other assumptions held constant.

	2026 R '000	2025 R '000
The amount by which the recoverable amount exceeds the carrying value is as follows:		
CVH Spirits Limited	-	(391 506)

6. INVENTORIES

Maturing spirit and other work in progress	3 733 433	3 782 312
Finished goods	303 811	346 959
Packaging material and other	76 309	99 368
Total inventories	4 113 553	4 228 639

The operating cycle of inventories are as follows:

Spirits: Brown spirits, mainly three to five years, but can exceed 30 years for certain aged whiskies. White spirits, up to 18 months.

The cost of inventories recognised as an expense and included in 'costs of goods sold' amounted to R993.5 million (2025: R976.6 million).

Inventory provisions relating to the year-end balance amounted to R11.1 million (2025: R19.2 million). No previous write-down was reversed during the year (2025: R Nil). Refer to note 14.2 where write-offs and provisions related to inventory are disclosed.

The UK pound borrowing facility is secured by a bond and floating charge over the assets and undertakings of CVH Spirits Limited for a maximum value £95m or R2067.2 million (2025: R2216.6 million) (note 10).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R '000	2025 R '000
7. TRADE AND OTHER RECEIVABLES		
Group		
Financial instruments		
Trade receivables	226 045	278 842
Loss allowance	(2 813)	(5 006)
Trade receivables - net	223 232	273 836
Other receivables	3 197	-
	226 429	273 836
Non-financial instruments		
Prepayments	52 040	65 935
Value added tax	48 093	2 059
	100 133	67 994
Total trade and other receivables	326 561	341 830

The loss allowance as at 30 June 2026 was determined as follows:

	Current R '000	Up to 60 days past due R '000	Up to 90 days past due R '000	More than 90 days past due R '000	Total R '000
Gross carrying amount	109 027	102 407	6 357	8 256	226 045
Expected loss rate	0.0%	0.0%	0.0%	34.1%	1.2%
Loss allowance	-	-	-	2 813	2 813

Refer to note 24.1(b) for more detail about the assessment of the credit risk of trade and other receivables.

The loss allowance as at 30 June 2025 was determined as follows:

	Current R '000	Up to 60 days past due R '000	Up to 90 days past due R '000	More than 90 days past due R '000	Total R '000
Gross carrying amount	213 374	42 992	1 806	20 670	278 842
Expected loss rate	0.0%	0.0%	0.0%	24%	1.8%
Loss allowance	-	-	-	5 006	5 006

The movement of the Group's loss allowance for trade receivables is as follows:

	2026 R' 000	2025 R' 000
Opening balance	5 006	6 978
Increase in loss allowance recognised in profit or loss during the year	1,092	2 137
Receivables written off during the year as uncollectable	(2,798)	(456)
Exchange difference	(487)	223
Unused amounts reversed	-	(3 876)
Balance at the end of the year	2 813	5 006

The movement in the loss allowance is disclosed separately in the income statement as part of 'net impairment losses on financial

Assets. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each category of receivable as mentioned below. The fair values of trade and other receivables approximate their book values as shown in this note due to the short-term maturities of these assets. The Group does not hold any collateral as security. Included in other receivables are amounts receivable to which the Group has applied the simplified impairment model. Based on an evaluation and conclusion that the credit risk relating to these receivables is limited, the probability of default relating to these receivables was considered to be low.

None of the payment terms of trade and other receivables that are fully performing or overdue have been renegotiated during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R '000	2025 R '000
7. TRADE AND OTHER RECEIVABLES (Continued)		
The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:		
South African rand	3 348	8 699
US dollar	1 191	10 900
Euro	21 946	19 757
UK pound	281 298	274 013
Canadian dollar	3 885	3 674
Taiwanese dollar	14 893	23 260
Other currencies	-	1 527
	326 561	341 830
Industry spread of trade and other receivables:		
South Africa	3 348	4 677
International	323 213	471 465
	326 561	341 830
Company		
Trade receivables - South African rand	-	1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
8. STATED CAPITAL		
Ordinary share capital		
<u>Authorised</u>		
1.3 billion (2025: 1.3 billion) ordinary shares with no par value	-	-
<u>Issued</u>		
216.4 million (2025: 216,4 million) ordinary shares with no par value	11 399 304	11 399 304
	Number '000	Number '000
Ordinary shares of no par value issued and fully paid	216 390	216 390

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

Certain ordinary shares are linked to B shares and are subject to restrictions upon disposal.

B share capital	R'000	R'000
<u>Authorised</u>		
300 million (2025: 300 million) unlisted, non-convertible, non-participating, no par value B shares	-	-
<u>Issued</u>		
124,227 million (2025: 124,227 million) unlisted, non-convertible, non-participating, no par value B shares	1	1

A total of 124 226 613 B shares are held by Remgro Beverages Proprietary Limited, and are linked to such ordinary shares it holds and cannot be traded separately from each other. Linked ordinary shares, together with B shares, are subject to restrictions upon disposal. The holders of B shares are entitled to the same voting rights as holders of ordinary shares, but are not entitled to any rights to distributions by the Company or any other economic benefits. Remgro is regarded as the ultimate holding company of the Group through the effective voting rights of 57.8% of total voting rights it holds through a combination of the ordinary and B shares it owns.

	Company Issued shares R'000	Share premium R'000	Group Total R'000
2026			
Opening balance	11 392 304	7 000	11 399 304
Balance at the end of the year	11 392 304	7 000	11 399 304
2025			
Opening balance	11 392 304	7 000	11 399 304
Balance at the end of the year	11 392 304	7 000	11 399 304

9. OTHER RESERVES	2026 R'000	2025 R'000
Group		
Reorganisation reserve	(10 304 053)	(10 304 053)
Opening balance	(10 304 053)	(10 304 053)
Foreign currency translations	1 051 286	1 495 122
Opening balance	1 495 122	1 377 019
Currency translation differences for the year	(443 835)	118 103
	(9 252 767)	(8 808 931)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
10. BORROWINGS		
10.1 INTEREST-BEARING BORROWINGS		
NON-CURRENT		
Secured inventory UK pound facility, bearing interest at Bank of England base rate plus 1.3%, for a minimum period of five years from February 2022.	2 042 351	1 926 105
Lease liabilities (note 21)	232 212	252 107
	2 274 563	2 178 212
CURRENT		
Lease liabilities short term (note 21)	25 108	24 720
	25 108	24 720
Total interest-bearing borrowings	2 299 671	2 202 932

The maturity profile of the interest-bearing borrowings is indicated in note 24.1(c).

Total borrowings include secured liabilities of R2,042.35 million (2025: R1,926.1 million). The UK pound facility is secured by a bond and floating charge over the whole assets and undertaking of CVH Spirits Limited (formerly Distell International Limited), together with a standard security creating a fixed charge over each of the company's heritable properties.

The covenants relating to the secured inventory UK pound facility are measured by tangible net worth (more than £100 million), interest cover (more than 4:1) and other undertakings. Management confirmed compliance with all covenant requirements at 30 June 2026. The facility has a contractual minimum period ending on 31 December 2027 and was subsequently extended to 30 June 2028 after year end.

The fair value of borrowings equates to their carrying amount, as the impact of discounting is not significant as the interest rates are market related.

The Group's unutilised banking facilities and reserve borrowing capacity are as follows :

Unutilised banking facilities

Total floating rate UK pound banking facilities expiring in December 2027	2 065 008	2 311 436
Less : Current interest-bearing UK pound borrowings	(2 042 351)	(1 926 105)
Unutilised UK pound banking facilities	22 657	385 331

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
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11. DEFERRED INCOME TAX

Deferred income tax assets and deferred income tax liabilities are offset when there is a legally enforceable right to offset and when the deferred income tax relates to the same fiscal authority.

The amounts disclosed on the statement of financial position are as follows:

Companies in the Group with net deferred income tax assets		
Deferred tax asset to be recovered after more than 12 months	(13 725)	(13,213)
Deferred tax asset to be recovered within 12 months	-	-
	(13 725)	(13,213)
Companies in the Group with net deferred income tax liabilities		
Deferred tax liability to be recovered after more than 12 months	396 935	429 907
Deferred tax liability to be recovered within 12 months	-	-
	396 935	429 907
Net deferred income tax liability	383 210	416 694

The gross amount of deferred income tax assets and liabilities is as follows:

Deferred income tax liabilities	396 935	429,907
Deferred income tax assets	(13 725)	(13 213)
	383 210	416 694

The net movement on the deferred income tax account is as follows:

Opening balance	416 694	330 445
Exchange differences	(42 747)	34 168
Charged to the income statement (note 18.1)	9 263	52 081
Balance at the end of the year	383 210	416 694

The gross movement in deferred income tax assets and liabilities during the year, without taking offsetting into account, is as follows:

	Intangible assets R '000	Allowances on fixed assets R '000	Other R '000	Total R '000
Deferred income tax liabilities				
2026				
Opening balance	116 689	278 112	34 890	429 691
Exchange differences	(12 322)	(28 370)	(3 843)	(44 535)
Charged to the income statement	-	5 657	6 122	11 780
Balance at the end of the year	104 367	255 399	37 170	396 935
2025				
Opening balance	125 407	200 571	35 132	361 110
Exchange differences	4 786	10 466	1 512	16 764
Charged to the income statement	(13 504)	67 075	(1 754)	51 817
Balance at the end of the year	116 689	278 112	34 890	429 691
	Assessed losses R '000	Leave and bonus accruals R '000	Other R '000	Total R '000
Deferred income tax assets				
2026				
Opening balance	(12,983)	(230)	-	(13 213)
Exchange differences	2 002	-	-	2 002
Charged to the income statement	(2 537)	23	-	(2 514)
Balance at the end of the year	(13,518)	(207)	-	(13 725)
2025				
Opening balance	(174)	(2 186)	(28 305)	(30 665)
Charged to the income statement	(12 809)	1 956	28 305	17 452
Balance at the end of the year	(12,983)	(230)	-	(13 213)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026	2025
	R'000	R'000

11. DEFERRED INCOME TAX (Continued)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related benefit through future taxable profits is probable. This was assessed through board approved budgets and found to be adequately supported given the expected taxable income to be generated in future.

Refer to note 18 for taxation losses available for offset against future taxable income.

For subsidiaries the Group is able to control the timing of any distributions and none of the distributions will give rise to tax liabilities. For equity-accounted investments it is not probable that any distributions will be made in the foreseeable future. Similarly, tax is not provided where it is expected at the reporting date that such distributions will not give rise to a tax liability.

12. TRADE AND OTHER PAYABLES

	2026	2025
	R'000	R'000
Group		
Financial instruments		
Trade payables	207 054	284 900
Accrued expenses	151 309	132 004
	358 363	416 904
Non-financial instruments		
Accrued leave pay	6 513	8 575
Excise duty	4 455	72 874
Value added tax	14 586	3 635
	25 553	85 084
Total trade and other payables	383 917	501 988

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

South African rand	5 040	9 348
US dollar	2 355	3 588
Euro	13 138	49 905
UK pound	353 696	365 900
Taiwan dollar	8 268	70 566
Canadian dollar	864	-
Other currencies	555	2 681
	383 917	501 988
Company		
Intergroup loan	53 987	34 846
Trade and other payables	333	14 618
	54 320	49 464

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
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13. REVENUE

13.1 Revenue from contracts with customers

Group

Sales	1 666 628	1 797 553
Excise duty	143 420	125 356
	1 810 047	1 922 909

The Group also report on a measure of revenue per category and geographical region, which is detailed below:

Category

Whisky	1 690 518	1 775 529
Other owned and distributed brands	114 382	106 273
Heineken Beverages brands	321	13 276
Other	4 827	27 831
Total revenue	1 810 047	1 922 909

Geographical region

Africa	23 222	33 477
Americas	60 836	68 562
Asia Pacific	699 014	735 573
Europe	136 925	115 036
United Kingdom	890 050	970 261
Total revenue	1 810 047	1 922 909

13.2 Other income

Company

Dividends received		
Ordinary shares: Remgro-Capevin Investments Limited	-	216 390
	-	216 390

14. OPERATING COSTS

14.1 Costs classified by function

Costs of goods sold	1 138 910	1 236 827
Sales and marketing costs	382 221	380 663
Distribution costs	41 604	26 517
Administration and other costs	207 198	194 697
Net impairment losses on financial assets	1 138	2 145
	1 771 072	1 840 849

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
14. OPERATING COSTS (continued)		
14.2 Costs classified by nature		
Group		
Advertising costs and promotions	101 278	161 212
Amortisation of intangible assets	5 557	2 560
Auditors' remuneration	7 739	6 932
Depreciation and amortisation	138 797	135 943
Employee benefit expense (note 14.3)	418 828	413 835
Net impairment losses on financial assets (note 14.5)	1 138	-
Insurance	19 200	19 870
Maintenance and repairs	67 610	63 693
Net foreign exchange (gains)/losses	38 382	(511)
Lease expenses (notes 14.4 and 21)	120 841	110 580
Property rates	13 754	17 015
Raw materials and consumables used	617 703	643 785
Research expenditure: trademarks and brands	14 432	7 280
Services	69 416	96 059
Supplies (including water and electricity)	108 190	117 927
Transportation costs	29 193	34 674
Write-offs and provisions related to inventory	(2 596)	7 337
Other expenses	1 610	513
	1 771 072	1 840 849
Company		
Administrative costs	5 641	27 771
	5 641	27 771
14.3 Employee benefit expense		
Salaries and wages	350 148	347 542
Pension costs - defined-contribution plans	27 705	29 571
Medical aid contributions	3 714	3 275
Social security costs	37 261	33 447
	418 828	413 835
14.4 Lease expenses		
Properties	120 156	109 768
Vehicles	685	812
	120 841	110 580
Refer to note 21.2 where the amounts are split between leases of low value assets and short-term leases.		
14.5 Net impairment losses on financial assets		
Decrease in loss allowance and impairment for trade and other receivables	2 193	2 145
	2 193	2 145

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
15. OTHER GAINS AND LOSSES		
Group		
Rental income	19 872	23 937
Impairment of intangible assets	(88 068)	(798 952)
Gain on disposal of investment properties	272 415	-
	204 219	(775 015)
Company		
Reversal of impairment/(Impairment) of investment in subsidiary	(805 850)	(1 904 000)
	(805 850)	(1 904 000)
16. FINANCE INCOME		
Group		
Interest received		
Bank	17 342	30 131
	17 342	30 131
Company		
Interest received	584	946
	584	946
17. FINANCE COSTS		
Interest paid		
Bank borrowings	(104 681)	(94 592)
Leases	(14 224)	(14 716)
Other	(107)	(138)
	(119 012)	(109 446)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
18. TAXATION		
18.1 Normal company taxation		
Income statement		
Group		
Current taxation	45 211	(15 276)
Deferred taxation	9 263	52 081
	54 474	36 805
Taxation charge per jurisdiction		
Normal South African taxation	46 530	11 015
Foreign taxation	7 944	25 790
	54 474	36 805
Company		
Current taxation		
current year	-	256
previous year	197	-
Deferred taxation	(141)	-
	56	256

18.2 Reconciliation of rate of taxation (%)	2026	2025
	%	%
Standard rate for companies	27.0	27.0
Differences arising from normal activities:		
Non-taxable income	(8.7)	-
Non-deductible expenses	21.5	(30.8)
Impairment of intangible assets	16.0	(27.9)
Other	5.5	(2.9)
Taxation losses utilised/written back	0.1	(0.8)
Capital allowances	5.1	(0.2)
Adjustments in respect of prior years	(6.5)	(0.0)
Effective rate	38.5	(4.8)

The standard rate of tax for companies in South Africa is 27% (2025: 27%). The average rate of tax applicable to companies in the UK is 25% (2025: 25%).

Legislation implementing the OECD Pillar Two global minimum tax rules has been enacted in certain jurisdictions in which the Group operates. The Group has applied the mandatory temporary exception under IAS 12 Income Taxes, as amended by International Tax Reform – Pillar Two Model Rules (issued in May 2023), and accordingly has not recognised or disclosed deferred tax assets and liabilities arising from Pillar Two income taxes.

Items included in non-taxable income mainly relate to dividend income and the reversal of previous expected credit loss provisions. Items included in non-deductible expenses mainly relate to expenses of a capital nature and expenses paid on behalf of the holding company.

18.3 Taxation losses

Calculated taxation losses and capital improvements available for offset against future taxable income	193 644	195 012
Applied to reduce deferred income tax	-	(6,267)
	193 644	188 745

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2026	2025
		R'000	R'000
19.	DIVIDENDS		
Group			
Paid:	100 cents (2025: 100 cents)	-	(254 576)
Declared:	100 cents (2025: 100 cents)	-	254 576
		-	-

During the year ended 30 June 2026, no dividends were declared and paid (2025: cash dividend of 100 cent per ordinary share).

Company			
Paid:	100 cents (2025: 100 cents)	-	(216 390)
Declared:	100 cents (2025: 100 cents)	-	216 390
		-	-

During the year ended 30 June 2026, no dividends were declared and paid (2025: cash dividend of 100 cent per ordinary share).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
20. CASH FLOW INFORMATION		
20.1 Non-cash flow items		
Group		
Depreciation	61 459	69 854
Intangible assets amortisation	5 557	5 333
Loss on disposal of PPE	945	5,895
Profit on disposal of investment property	(272 415)	-
Expected credit loss of trade receivables	(2 193)	(1 972)
Impairment of intangible assets	88 068	798 952
Provision for leave and bonuses	-	92
Other	12,481	(9,388)
	(106 098)	868 766
Company		
(Reversal of impairment)/Impairment of investments	805 850	1 904 000
Other	(177)	112
	805 673	1 904 112
20.2 Working capital changes		
Group		
(Increase)/Decrease in inventories	(267 043)	(545 554)
Decrease in trade and other receivables	32 080	130 988
Increase in trade and other payables	(24 306)	(62 298)
	(259 270)	(476 864)
Company		
(Increase)/Decrease in trade and other receivables	(1)	-
Increase/(Decrease) in trade and other payables	4 836	25 403
	4 835	25 403
20.3 Finance income		
Group		
Finance income per income statement	17 342	30 131
	17 342	30 131
Company		
Finance income per income statement	584	946
	584	946
20.4 Finance costs		
Group		
Finance costs per income statement	(119 012)	(87 586)
	(119 012)	(87 586)
20.5 Taxation paid		
Group		
Prepaid at the beginning of the year	52 170	29 215
Current provision for taxation	(54 474)	(36 805)
Exchange differences	(55,125)	5,382
(Prepaid)/unpaid at the end of the year	1 387	(52 170)
	(56 042)	(54 378)
Company		
Unpaid at the beginning of the year	(216)	(40)
Current provision for taxation	-	(256)
Unpaid	199	216
	(17)	(80)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
20. CASH FLOW INFORMATION (Continued)		
20.6 Dividends paid		
Group		
Dividends paid to parent equity holders	-	(216 390)
Dividends paid to non-controlling shareholders in subsidiaries	-	(38 186)
	-	(254 576)
Company		
Dividends declared	-	(216 390)
	-	(216 390)
20.7 Purchases of PPE to maintain operations		
Group		
Properties	(3 587)	-
Machinery, tanks and barrels	(82 435)	(231 413)
Equipment and vehicles	(7,736)	(1,394)
	(93,758)	(232 807)
20.8 Purchases of PPE to expand operations		
Group		
Properties	(24 376)	(13 555)
Assets under construction	(2 012)	(9 549)
	(26 388)	(23 104)
20.9 Increase/(decrease) in net cash, cash equivalents and bank overdrafts		
Group		
Balance at the beginning of the year	(363 197)	(580 182)
Exchange losses on cash, cash equivalents and bank overdrafts	(11 732)	(5 049)
Balance at the end of the year	591 972	363 197
	217 043	(222 034)
Company		
Bank account		
Balance at the beginning of the year	(8 956)	(10 457)
Balance at the end of the year	8 540	8 956
	(416)	(1 501)

Cash balances have been assessed for expected credit losses in terms of IFRS 9. This has been performed through assessment of the counterparty risk of the related financial institutions where the cash is held, through adjusted credit risk factors. The majority of cash in the Group is held with financial institutions guaranteed by the local reserve bank, which reduces credit risk further. The expected credit losses were immaterial in the current and previous financial years.

20.10 Borrowings reconciliation

	Financing cash flows				Currency, interest and other changes	Closing carrying value
	Opening carrying value R '000	Borrowings repaid R '000	Borrowings drawn R '000	New leases R '000	R '000	R '000
2026						
Secured loans	1 926 105	-	324 127	-	(207 882)	2 042 351
Leases	276 832	(35 516)	-	32 983	(16 979)	257 320
	2 202 937	(35 516)	324 127	32 983	(224 860)	2 299 671
2025						
Secured loans	1 104 004	-	775 664	-	46 411	1 926 105
Leases	54 225	(37 040)	-	243 218	16 429	276 832
	1 158 229	(37 040)	775 664	243 218	62 840	2 202 937

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026 R'000	2025 R'000
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21. LEASES

Information on leases where the Group is the lessee are as follows:

21.1 Amounts recognised in the statement of financial position

Right-of-use assets

Property	229 100	255 378
Equipment and vehicles	16 987	17 536
	246 087	272 914

Additions to the right-of-use assets during the financial year were R31.8 million (2025: R251.9 million). Included in the right-of-use assets additions of R31.8 million is a lease modification of R13.7 million.

Lease liabilities

Current	25 108	24 720
Non-current	232 212	252 107
Due after one year but not more than five years	92 505	79 363
Due after five years	139 707	172 744
	257 320	276 827

21.2 Amounts recognised in the income statement

Depreciation of right-of-use assets

Property	24 483	25 226
Equipment and vehicles	6 133	5 285
	30 616	30 511

Interest expense (included in finance cost)

14 224	14 716
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Lease expenses (note 14.4)

Expense relating to short-term leases (included in costs of goods sold and other operating costs)	120 841	110 580
	120 841	110 580

21.3 Amounts recognised in the cash flow statement

Operating activities: Finance cost	(14 224)	(14 716)
Financing activities: Lease payments	(35 516)	(37 040)
Cash payments in respect of short-term and low value leases	(120 841)	(110 580)

22. COMMITMENTS

Capital commitments - subsidiaries

Capital expenditure contracted, not yet incurred	19 522	6 934
	19 522	6 934

These commitments will be incurred in the coming year and will be financed by own and borrowed funds.

Operating lease commitments

The Group leases warehouses, machinery, equipment and vehicles on a short-term basis or which are classified as low-value leases. The leases are not capitalised in terms of IFRS 16 but expensed as incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. FINANCIAL INSTRUMENTS BY CATEGORY

Financial instruments disclosed in the statement of financial position include interest-bearing borrowings, derivatives, financial assets, cash and cash equivalents, trade and other receivables and trade and other payables.

The following is a summary of financial instrument categories applicable to the Group and Company:

	Assets at amortised cost	Other financial liabilities at amortised cost	Total
	R'000	R'000	R'000
2026			
Group			
Cash and cash equivalents (note 20.9)	591 972	-	591 972
Trade and other receivables (note 7)	226 429	-	226 429
Interest-bearing borrowings (note 10)	-	(2 299 671)	(2 299 671)
Trade and other payables (note 12)	-	(358 363)	(358 363)
	818 401	(2 658 034)	(1 839 633)
Company			
Cash and cash equivalents (note 28.8)	8 540	-	8 540
Trade and other payables (note 16)	-	(54 320)	(54 320)
	8 540	(54 320)	(45 780)
2025			
Group			
Cash and cash equivalents (note 20.9)	363 197	-	363 197
Trade and other receivables (note 7)	273 836	-	273 836
Interest-bearing borrowings (note 10)	-	(2 202 932)	(2 202 932)
Trade and other payables (note 12)	-	(416 904)	(416 904)
	637 033	(2 619 836)	(1982 803)
Company			
Cash and cash equivalents (note 28.8)	8 956	-	8 956
Trade and other receivables (note 8)	1	-	1
Trade and other payables (note 16)	-	(49 464)	(49 464)
	8 957	(49 464)	(40 507)

24. FINANCIAL RISK MANAGEMENT

24.1 Financial risk factors

The board of directors oversees the adequacy and functioning of the entire system of risk management and internal control, assisted by management. Group internal audit provides independent assurance on the entire risk management and internal control system. Regional and subsidiary company management are responsible for managing performance, underlying risks and effectiveness of operations, within the rules set by the board, supported and supervised by Group departments. The audit and risk committees review the internal control environment and risk management systems within the Group and report their activities to the board. The board members receive reports on treasury activities, including confirmation of compliance with treasury risk management policies.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The board approves prudent treasury policies for managing each of the risks summarised below.

The Group's finance department is responsible for controlling and reducing exposure to interest rate, liquidity and currency transaction risks. Senior executives and advisers meet on a regular basis to analyse currency and interest rate exposures and re-evaluate treasury management strategies against revised economic forecasts. Group policies, covering specific areas such as foreign exchange risk, interest rate risk, credit risks, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity, are reviewed annually by the board. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and responsibilities. The Group's finance department does not undertake speculative financial transactions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. FINANCIAL RISK MANAGEMENT (Continued)

24.1(a) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group is not materially exposed to equity price risk on investments held.

(i) Foreign currency risk management

The Group operates internationally and has transactional currency exposures, which principally arise from commercial transactions, recognised assets and liabilities and investment in foreign operations. In order to manage this risk the Group may enter into transactions in terms of approved policies and limits which make use of financial instruments that include forward foreign exchange contracts. Foreign subsidiaries do not have material transactional currency exposures as they mainly operate in their functional currencies. Refer to note 7 (trade receivables) and note 12 (trade payables) for balances denominated in foreign currencies.

The Group does not speculate or engage in the trading of financial instruments.

The Group is primarily exposed to the currencies of the US dollar, Euro, Taiwanese dollar and UK pound.

If the rand had weakened/strengthened by 10% against the USD on 30 June 2026, with all other variables remaining constant, the post-tax profit for the year would have been R0,119 million (2025: R0,068 million) lower/higher, mainly as a result of translating outstanding foreign currency denominated monetary items.

Had the rand at 30 June 2026 weakened/strengthened by 10% against the euro, with all other variables remaining constant, the post-tax profit for the year would have been R2,195 million (2025: R1,45 million) lower/higher.

Similarly, had the rand at 30 June 2026 weakened/strengthened by 10% against the UK pound, with all other variables remaining constant, the post-tax profit for the year would have been R28.13 million (2025: R159,75 million) lower/higher.

It is management's opinion that the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

(ii) Price risk management

The Group is not materially exposed to commodity price risk. To manage the price risk the Group diversifies its portfolio.

(iii) Interest rate risk management

The Group's interest rate risk arises from long-term borrowings and cash. Borrowings at variable interest rates expose the Group to cash flow interest rate risk, while fixed rate borrowings expose the Group to fair value interest rate risk. Refer to note 10 and note 20.9 for details of these balances.

The Group is exposed to interest rate risk arising from the repricing of forward cover and floating rate debt as well as incremental funding/new borrowings and the rollover of maturing debt/refinancing of existing borrowings.

The management of the actual debt and investment portfolios is done by adjusting the repricing and maturity profiles of the debt and/or investment portfolios from time to time, relative to that of the benchmark portfolios as well as using derivative instruments to alter the repricing profiles of the actual portfolios relative to the benchmark portfolios.

As at 30 June 2026, if the floating interest rates had been 100 basis points higher/lower and all other variables held constant, the Group's post-tax profit for the year would have increased/decreased as a result of interest received/paid on cash and cash equivalents and borrowings by R19.65 million (2025: R15.7 million).

The other financial instruments in the Group's statement of financial position are not exposed to interest rate risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. FINANCIAL RISK MANAGEMENT (Continued)

24.1(b) Credit risk management

Potential concentrations of credit risk principally exist for financial assets at amortised cost, trade and other receivables, cash and cash equivalents and derivative financial instruments.

Financial assets at amortised cost

The Group accounts for its credit risk by appropriately providing for expected credit losses using the general model. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of financial asset, and adjusts for forward-looking data.

The assumptions underpinning the Group's expected credit loss model are as follows:

- Performing (stage 1):	Includes financial instruments that have not had a significant increase in credit risk since initial recognition. For these items, 12-month expected credit losses (ECLs) are recognised and the interest is calculated on the gross carrying amount of the asset.
- Underperforming (stage 2):	Includes financial instruments that have had a significant increase in credit risk since initial recognition. For these items, lifetime ECLs are recognised, but interest is still calculated on the gross carrying amount of the asset. The Group applies the IFRS 9, paragraph 5.5.11 presumption that credit risk has increased significantly.
- Non-performing (stage 3): Credit-impaired assets	Includes financial assets that have objective evidence of impairment at the reporting date. For these items, lifetime ECLs are recognised and interest is calculated on the net carrying amount, that is, net of credit allowance. The Group applies the IFRS 9 paragraph B5.5.37 presumption that default does not occur later than when a financial asset is 90 days past due.

Trade and other receivables

Trade receivables comprise a widespread customer base and the Group performs ongoing credit evaluations of the financial strength of these customers. The type of customers range from wholesalers and distributors to smaller retailers. The granting of credit is controlled by means of a robust application process and the credit limits assigned to each individual customer are reviewed and updated on an ongoing basis taking into consideration its financial position, past experience and other factors. The Group does not have any significant credit risk exposure to any single counterparty.

In assessing the credit risk associated with trade receivables, the receivables are categorised in various customer segments with similar risk profiles. These categories include international and South African customers in the various regions. ECLs are recognised using the simplified model based on a provision matrix which incorporates historical observed default rates and which is adjusted for forward-looking information and other observable inputs. Forward-looking information includes expected economic growth and employment rates of the regions assessed and the potential impact thereof on the buying power of consumers and sustainability of customers. Receivables are analysed in various age buckets and varying loss rates applied to each age bucket, with long overdue buckets having higher loss rates.

The provision matrix of the lifetime expected loss allowance for trade receivables is as follows:

2026	Total	Current	Up to 60 days past due	Up to 90 days past due	Above 90 days past due
International	1.2%	0.0%	0.0%	0.0%	34.1%
South Africa	0.0%	0.0%	0.0%	0.0%	0.0%
Total average	1.2%	0.0%	0.0%	0.0%	34.1%

The gross carrying amounts of trade receivables per risk segment for the current financial year is as follows:

2026	Total	Current	Up to 60 days past due	Up to 90 days past due	Above 90 days past due
	R'000	R'000	R'000	R'000	R'000
International	222 859	105 840	102 407	6 357	8 256
South Africa	3 186	3 186	-	-	-
Total	226 045	109 027	102 407	6 357	8 256

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. FINANCIAL RISK MANAGEMENT (Continued)

24.1(b) Credit risk management (Continued)

Trade and other receivables (Continued)

The provision matrix of the lifetime expected loss allowance for trade receivables is as follows:

			Up to 60 days past due	Up to 90 days past due	Above 90 days past due
2025	Total	Current			
International	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa	0.0%	0.0%	0.0%	24.0%	1.8%
Total average	0.0%	0.0%	0.0%	24.0%	1.8%

The gross carrying amounts of trade receivables per risk segment for the previous financial year is as follows:

			Up to 60 days past due	Up to 90 days past due	Above 90 days past due
2025	Total R'000	Current R'000	R'000	R'000	R'000
International	270 143	206 298	41 794	1 381	20 670
South Africa	8 699	6 076	1 198	1 425	-
Total	278 842	212 374	42 992	2 806	20 670

For additional information relating to the credit risk considerations for other receivables, refer to note 7.

Cash and cash equivalents

The Group only deposits cash with banks with high credit ratings. At year-end the Group's cash was invested with financial institutions that have been awarded the following Moody's short-term credit rating:

	2026 R'000	2025 R'000
Cash and cash equivalents		
A1	89 234	109 700
Aa3	-	20
Ba2	-	248 240
Baa3	-	5 237
BB+	5 553	-
F1+(zaf)	497 185	-
	591 972	363 197

Cash and cash equivalents are stage 1 financial assets and there has been no significant movement between stages. No amount has been recognised for 12-month ECLs as the amounts are not material due to low probability of default.

24.1(c) Liquidity risk management

The Group manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities are maintained. Refer to note 10 regarding the Group's unutilised banking facilities and reserve borrowing capacities. Banking facilities are renewed annually and are subject to review at various dates during the next year.

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period between the reporting date and the contractual maturity date. Amounts disclosed within the maturity buckets and total column represent contractual discounted and undiscounted cash flows, while the carrying value column reflects the amounts recognised in the statement of financial position. Balances due within 12 months approximate their carrying values as the effect of discounting is not significant.

Discounted cash flows:

	0 - 12 months R'000	1 - 2 years R'000	3 - 5 years R'000	Beyond 5 years R'000	Total R'000	Carrying value R'000
2026						
Financial liabilities						
Interest bearing borrowings	-	2 042 351	-	-	2 042 351	2 042 351
Trade and other payables	207 054	-	-	-	207 054	207 054
Lease liabilities	25 108	46 253	46 253	139 707	257 320	257 320
	232 162	2 088 603	46 253	139 707	2 506 725	2 506 725

	0 - 12 months R'000	1 - 2 years R'000	3 - 5 years R'000	Beyond 5 years R'000	Total R'000	Carrying value R'000
2025						
Financial liabilities						
Interest bearing borrowings	-	1 926 105	-	-	1 926 105	1 926 105
Trade and other payables	416 904	-	-	-	416 904	416 904
Lease liabilities	24 720	39 682	39 682	172 744	276 827	276 827
	441 624	1 965 787	39 682	172 744	2 619 836	2 619 836

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. FINANCIAL RISK MANAGEMENT (Continued)

24.1(c) Liquidity risk management (Continued)

Undiscounted cash flows:

	0 - 12 months	1 - 2 years	3 - 5 years	Beyond 5 years	Total	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
2026						
Financial liabilities						
Interest bearing borrowings	80 849	2 062 757	-	-	2 143 606	2 042 351
Trade and other payables	207 054	-	-	-	207 054	207 054
Lease liabilities	39 959	67 654	67 654	179 357	354 624	257 320
	327 863	2 130 411	67 654	179 357	2 705 284	2 506 725

	0 - 12 months	1 - 2 years	3 - 5 years	Beyond 5 years	Total	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
2025						
Financial liabilities						
Interest bearing borrowings	103 212	1 992 626	-	-	2 095 838	1 926 105
Trade and other payables	416 904	-	-	-	416 904	416 904
Lease liabilities	40 936	65 989	65 989	226 935	399 848	276 827
	561 052	2 058 615	65 989	226 935	2 912 590	2 619 836

24.2 Fair value estimation

The below analyses assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

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 inputs, which reflect the market conditions, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Specific valuation techniques used to value these assets and liabilities include:

Investment properties are classified as Level 3 fair value measurements. Fair values are determined using market-based valuation techniques incorporating significant unobservable inputs. Further details regarding the valuation methodology and assumptions are disclosed in Note 3.

Indefinite-lived trademarks and trade names are classified as Level 3 fair value measurements. Recoverable amounts are determined using a fair value less costs of disposal approach applying the relief-from-royalty method. Further details regarding the valuation methodology, key assumptions and sensitivity analyses are disclosed in Note 5.

The carrying amounts of cash and cash equivalents, trade and other receivables and financial assets at amortised cost approximate their fair values due to their short-term maturities.

24.3 Reference to capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	2026	2025
	R'000	R'000
Total borrowings (note 10)	2 299 671	2 202 932
Less: Cash and cash equivalents	(591 972)	(363 197)
Net debt	1 707 698	1 839 735
Total equity	4 400 951	4 761 015
Total capital	6 108 650	6 600 750
Gearing ratio	28.0%	27.9%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026	2025
	R '000	R '000

25. RELATED-PARTY TRANSACTIONS

The Group is controlled by Remgro Limited which owns 57.8% of the voting rights attached to the Company's shares and 33.6% of the economic interest. The Public Investment Corporation (PIC) owns 33.3% of the economic interest in the Company's shares.

Related-party relationships exist between the Company and entities within the Group.

Group

The following transactions were carried out with subsidiaries and equity-accounted investments of our major shareholders:

Purchases of goods and services

Holding company and its subsidiaries or affiliates and other related parties

Remgro Management Services Limited (management services)	9 047	11 640
Heineken Beverages (International) (Pty) Ltd (goods and services)	-	18 936
Oroprops (Proprietary) Limited (rent and services)	-	403

Sale of goods and services

Holding company and its subsidiaries or affiliates

Distell Limited/Heineken Beverages (South Africa) (Pty) Ltd (goods, services and rent)	19 366	62 253
Heineken Beverages (UK) Limited (goods and services)	-	8 381
Kenya Wine Agencies Limited (goods and services)	-	8 184

Year-end balances arising from purchases and sales of goods and services

Holding company and its subsidiaries or affiliates

Remgro Management Services Limited (including VAT) (current account)	-	(2,924)
Heineken Beverages (UK) Limited (goods and services)	-	(25 696)
Distell Limited/Heineken Beverages (South Africa) (Pty) Ltd (goods, services and rent) (receivable)	2 045	8 004
Distell Limited/Heineken Beverages (South Africa) (Pty) Ltd (goods and services) (payable)	-	(857)
Kenya Wine Agencies Limited (goods and services)	-	2 724

Also refer to note 29 where other related-party transactions or balances are disclosed.

Company

Year-end balances arising from purchases and sales of goods and services

Castle Wine and EK Green (Pty) Ltd (services)	(49 459)	34 846
CVH Spirits Ltd (services)	(4 530)	(5 500)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026	2025
	R'000	R'000

26. INTEREST IN SUBSIDIARIES

The total profits/(losses) after taxation of consolidated subsidiaries for the year are as follows:

Profits	87 052	-
Losses	-	(784 878)
Net consolidated profit after taxation	87 052	(784 878)

The Company's direct interests in its subsidiaries are as follows:

Remgro-Capevin Investments Proprietary Limited (100,0% (2025: 100,0%) - Unlisted)	2 573 150	3 343 000
Shares at cost	11 650 709	11 650 709
Accumulated impairment of investment	(9077 559)	(8 307 709)
Investment in subsidiaries	2 573 150	3 379 000

The Company's indirect interest in subsidiaries through Remgro-Capevin Investments Proprietary Limited is as follows:

	Nature of business	Issued share capital	
		Interest %	R
Distell Group Limited	Holding company	100	752 613 671
CVH Spirits Limited (previously Distell International Limited) (United Kingdom)	Manufacturer and distributor	100	360 205 109
South African Distilleries and Wines (SA) Proprietary Limited	Holding company	85	200
Castle Wine and EK Green Proprietary Limited	Service and Administrative Entity	85	100
Mons Cellarium Properties Proprietary Limited	Property owning	85	55 669 625
Parva Properties Proprietary Limited	Property owning	85	37 518 211

Notes:

- Information is only disclosed in respect of those subsidiaries of which the financial position or results are significant.
- All subsidiaries are incorporated in South Africa, unless otherwise stated.

Ownership interest held by non-controlling interests in subsidiaries are as follows:

	2026	2025	2026	2025
	Non-controlling %		R'000	R'000
South African Distilleries and Wines (SA) Proprietary Limited and subsidiaries	15.0	15.0	210 488	179 642
			210 488	179 642

The aggregate statements of financial position, statement of profit or loss and other comprehensive income and statement of cash flow of South African Distilleries and Wines (SA) Proprietary Limited and its major subsidiaries are summarised as follows:

	South African Distilleries and Wines (SA) Proprietary Limited	Castle Wine and EK Green Proprietary Limited	Mons Cellarium Properties Proprietary Limited	Parva Properties Proprietary Limited	Total R 000
2026					
Non-current assets	1 106 530	207	-	32 955	1 139 692
Current assets	3 201	260 734	246 284	70 574	580 793
Total assets	1 109 731	260 941	246 284	103 529	1 720 485
Equity	902 080	257 523	242 068	98 018	1 499 689
Non-current liabilities	196 689	-	-	4 163	200 852
Current liabilities	10 962	3 418	4 216	1 348	19 944
Total equity and liabilities	1 109 731	260 941	246 284	103 529	1 720 485

	South African Distilleries and Wines (SA) Proprietary Limited	Castle Wine and EK Green Proprietary Limited	Mons Cellarium Properties Proprietary Limited	Parva Properties Proprietary Limited	Total R 000
2026					
Revenue	-	16 449	5 562	14 309	36 320
Profit/(loss) from operating activities	(18 187)	(7 713)	215 338	46 572	236 009
Profit/(loss) before tax	(18 099)	6 854	215 693	47 513	251 961
Profit/(loss) for the year	(18 411)	3 220	181 549	38 963	205 321

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2026	2025			
	R'000	R'000			
26. INTEREST IN SUBSIDIARIES (Continued)					
	South African Distilleries and Wines (SA) Proprietary Limited	Castle Wine and EK Green Proprietary Limited	Mons Cellarium Properties Proprietary Limited	Parva Properties Proprietary Limited	Total R 000
2026					
Net cash flows from / (used in) operations	(4)	(27 777)	(18 685)	4 202	(42 264)
Net cash flows from / (used in) operating activities	138	(21 003)	(58 078)	(3 301)	(82 244)
Cash flows from / (used in) investing activities	-	-	286 999	44 998	331 997
Cash flows from / (used in) in financing activities	-	-	-	-	-
Net (decrease) / increase in cash and cash equivalents	138	(21 003)	228 921	41 697	249 753
Cash and cash equivalents at the beginning of the year	2 988	197 465	16 659	25 933	243 045
Cash and cash equivalents at the end of the year	3 126	176 466	245 580	67 630	492 802
	138	(21 003)	228 921	41 697	249 752

The aggregate statements of financial position of the major subsidiaries are summarised as follows:

	South African Distilleries and Wines (SA) Proprietary Limited	Castle Wine and EK Green Proprietary Limited	Mons Cellarium Properties Proprietary Limited	Parva Properties Proprietary Limited	Total R'000
2025					
Non-current assets	1 125	230	55 656	36 979	93 990
Current assets	3	260 784	20 171	31 519	312 477
Total assets	1 128	261 014	75 827	68 498	406 467
Equity	920	254 303	60 518	59 055	374 796
Non-current liabilities	-	-	8 923	4 580	13 503
Current liabilities	208	6 711	6 386	4 863	18 168
Total equity and liabilities	1 128	261 014	75 827	68 498	406 467

	South African Distilleries and Wines (SA) Proprietary Limited	Castle Wine and EK Green Proprietary Limited	Mons Cellarium Properties Proprietary Limited	Parva Properties Proprietary Limited	Total R 000
2025					
Revenue	255	58	8 871	14 441	23 625
Profit or loss from operating activities	262	(8 654)	3 244	8 456	3 308
Profit before tax	262	15 192	4 128	9 899	29 481
Profit for the year	259	10 008	3 187	7 284	20 738

	South African Distilleries and Wines (SA) Proprietary Limited	Castle Wine and EK Green Proprietary Limited	Mons Cellarium Properties Proprietary Limited	Parva Properties Proprietary Limited	Total R 000
2025					
Net cash flows from / (used in) operations	259	(31 664)	2 915	6 483	(22 007)
Net cash flows from operating activities	259	(264 996)	2 281	4 571	(257 885)
Cash flows used in investing activities	(6)	(5 202)	-	-	(5 208)
Cash flows used in financing activities	(254)	-	3 084	2 923	5 753
Net (decrease) / increase in cash and cash equivalents	(1)	(270 198)	5 365	7 494	(257 340)
Cash and cash equivalents at the beginning of the year	4	467 663	11 294	18 439	497 400
Cash and cash equivalents at the end of the year	3	197 465	16 659	25 933	240 060
	(1)	(270 198)	5 365	7 494	(257 340)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. GOING CONCERN

The Group has a strong financial position, supported by its established portfolio of Scotch whisky brands, diversified customer base across multiple channels and geographies, and continued investment in its production network.

In assessing the appropriateness of the going concern basis of accounting, management considered the Group's ability to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these annual financial statements. This assessment included a review of forecast cash flows, debt utilisation, liquidity requirements and compliance with the covenants relating to the Group's medium-term UK debt facilities.

The Group has access to committed banking facilities of R2.3 billion for its international operations, of which R2 billion was utilised on 30 June 2026. Management regards the Group as having sufficient financial and operational capacity to continue operations as a going concern in the foreseeable future.

28. EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

On 28 August 2026, the Group's PNC borrowing facility in the UK was extended to 30 June 2028.

Subsequent to year-end, the Group facilitated a capital injection of R320 million into CVH Spirits Limited through an equity subscription by Distell Group Proprietary Limited. The subscription was funded through loans advanced by fellow group entities, namely Mons Cellarium Properties Proprietary Limited (R200 million) and Castle Wine and E K Green Proprietary Limited (R120 million). All agreements and approvals relating to the transaction were concluded on 2 July 2026.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29. DIRECTORS' EMOLUMENTS

	2026			2025		
	Executive R '000	Non- executive R '000	Total R '000	Executive R '000	Non-executive R '000	Total R '000
Salaries	-	12 544	12 544	4 832	11 902	16 734
Fees	-	248	248	-	471	471
Incentive bonuses	-	27	27	-	-	-
Retirement fund contributions	-	2 533	2 533	-	2 451	2 451
Other benefits	-	2 605	2 605	-	2 260	2 260
Paid by holding company	-	17 957	17 957	4 832	17 084	21 916

	Salaries R '000	Fees R '000	Incentive bonuses R '000	Retirement fund contri- butions R '000	Other benefits R '000	2026 Total R '000	2025 Total R '000
Executive							
S Nathan	-	-	-	-	-	-	4 832
Subtotal	-	-	-	-	-	-	4 832
Non-executive ¹							
J Du Toit	3 362	-	-	668	685	4 715	4 452
S Crouse	2 456	-	27	488	555	3 526	3 067
M Lubbe (July to May 2026)	3 329	248	-	702	598	4 877	5 123
L Zingitwa	3 397	-	-	675	767	4 839	4 442
Subtotal	12 544	248	27	2 533	2 605	17 957	17 084
Total	12 544	248	27	2 533	2 605	17 957	21 916

No other directors' emoluments were paid during the current and previous financial years.

1. Directors' emoluments paid by Remgro Limited

Directors of the Company employed by Remgro Limited receives remuneration in their capacity as directors and/or prescribed officers of Remgro Limited. This remuneration includes fees, salaries, retirement fund contributions and other benefits. They are also participants of the Remgro Share Appreciation Rights Plan and the Remgro Conditional Share Plan. Details in this regard is disclosed in Remgro Limited's annual financial statements available at www.remgro.com.