CULLINAN HOLDINGS LTD

TOURISM & LEISURE

Cullinan Holdings was listed on the Johannesburg Stock Exchange in 1901 as the famous diamond mining company which went on to produce the world's largest ever rough diamond in 1905. The company has since evolved into one of South Africa's leading JSE listed Tourism and Leisure Groups, and today comprises many of Southern Africa's leading brands in Travel and Leisure.

The group's interests include Thompsons Africa and Thompsons Holidays, which for 30 years have been South Africa's leading tour operator providing quality and value tours for visitors from around the globe into South Africa, as well as providing holidays to South Africans to destinations in Africa and around the world. The group's Planet Africa division specialises in bringing groups from Japan and Korea to South Africa and Zimbabwe, while its Gateway Division based in Singapore concentrates on individual and group travel from Asia to Southern Africa.

The group's Travel Retail Business in South Africa includes well known travel agency chains Pentravel and Thompsons Leisure, both of which have retail agencies located throughout South Africa.

The group's transportation division includes two of South Africa's leading transportation companies, being Hylton Ross Tours and Thompsons Touring & Safaris. These two companies provide transportation services as well as day tours throughout South Africa, Namibia, Botswana, Zimbabwe and Zambia. These services include full coach services, VIP transportation, sightseeing tours and safari vehicles.

The group's Marine Division distributes many of the world's leading brands throughout South Africa. These include Aqua Lung scuba equipment, Lewmar Marine Deck Equipment, Musto Sailing Clothing and Oceanair Blinds for boats. The Marine Division comprises Manex Marine and Central Boating, who both service the marine leisure industry made up of OEM boat builders, both power and sail. The scuba diving industry is serviced country wide from both the Cape Town and Johannesburg offices supported by well stocked warehouses. Wholesaling of the equipment is covered by both companies with representation in all major and small water based centres through a well managed dealer network.

CULLINAN HOLDINGS LTD

A South African group providing travel and leisure globally.

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CULLINAN HOLDINGS LTD
TOURISM & LEISURE

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TOUR OPERATORS

THOMPSONS HOLIDAYS

Is the leading South African travel wholesaler which caters primarily to leisure travellers based in Southern Africa: with offices in Johannesburg, Durban and Cape Town. The company has over 30 years of expertise in providing the finest carefully selected collection of products to the most sought after destinations. These include South Africa, Continental Africa, Indian Ocean Islands, Europe, United Kingdom, Far East and the Americas. With its local knowledge of these destinations, consumers are assured of receiving unrivalled deals, unbeatable added values and the finest quality, to each destination as well as appealing bonus benefits which range from Price Guarantees to convenience enhancing Travel Packs and a vast, enticing array of Tour Top-Up options unique to every destination.

Apart from arrangements that are sold to individuals, products requiring in-depth knowledge and experience such as Cruising, Ski Holidays, Escorted Tours, Incentive Travel, Conferences and Events are handled by specialists within the company.

In addition to this recognised association with superior quality and value for money, the company is also synonymous with the highest levels of service. This is achieved through its experienced team and ongoing training.

Substantial investment in the development of online facilities has also placed the company at the forefront of high-tech sophistication to ensure ongoing client satisfaction.

THOMPSONS AFRICA

Synonymous with luxury and traveller confidence, this bespoke destination management company supplies fully-inclusive arrangements throughout Southern Africa to tour operators throughout the world. The division is headquartered in Durban, with satellite sales offices in Singapore, Tokyo and Osaka as well as reception offices in Johannesburg, Hazyview and Malalane (for Kruger Park), Cape Town, Port Elizabeth (for the Garden Route), Hluhluwe and St Lucia, Windhoek, Victoria Falls, Livingstone and Kasane (Botswana). State of the art information technology on a wide-area network enables instant communication with the 14 associated tourism hubs where guests are welcomed and catered for.

Services incorporate a choice of Silver, Gold or Platinum Meet & Greets, along with transfers, sightseeing and fully-escorted tours, guaranteed departure seat-in-vehicle tours, group tours and fully inclusive services. Numbered among expertly trained, experienced staff are guides and consultants fluent in Mandarin, Arabic, Japanese, French, Italian, Russian, Spanish, German, Dutch and Portuguese: this reflects the broad geographic spectrum of the division's long-established client base.

The majority of the travellers carried hail from the United Kingdom, Europe and United States, while Japan, South East Asia and the rest of the world contribute to the remainder. Thompsons Africa thereby boasts an international reach and is regarded as the definitive Destination Management Company to the Southern African region.

PLANET AFRICA TOURS

The market leader in bringing Japanese and Korean group travel to tourism destinations in Southern Africa, in particular South Africa and Zimbabwe, Planet Africa is a joint venture formed in 2006.

The division is currently developing an online presence in Japan and Korea to offer individual travel products to the fast growing number of consumers there.

THOMPSONS GATEWAY PTE LIMITED (SINGAPORE)

The company is located in Singapore and specialises in Incentive, Group and Individual travel from Asia to Southern Africa. Its sphere of operation extends to Malaysia, Thailand, Indonesia and the Philippines.

This company has much experience and knowledge in group travel and has been especially successful in handling Incentive travel. The business brings groups of up to 800 passengers to South Africa, at a time.

COACHING & TOURING

HYLTON ROSS TOURS (PTY) LTD

Hylton Ross Tours began operating in 1980. The business, which has been providing luxury touring services for the past 29 years, started out as a small family business. The values of service excellence and reliability instilled at the time, have been maintained and continuously improved throughout its history. This premier multi-transport operator has built up a brand that stands for quality and reliability. Hylton Ross Tours is today known as one of the largest transport companies in the Western Cape and is licensed to collect passengers and groups anywhere in South Africa. Hylton Ross Tours has a large and modern fleet of luxury vehicles, ranging from 7-seater combis to Sprinters, 21-seaters and top of the range 44-seater touring coaches.

The name Hylton Ross Tours is synonymous with quality of service and absolute peace of mind. Although the core business lies with the charter of luxury coaches, Hylton Ross Tours is also renowned for top quality guided day tours of Cape Town and surrounding areas – including the renowned wine-growing districts and the picturesque Garden Route. Hylton Ross' guides and drivers are carefully selected and undergo a rigorous in-house training programme. Hylton Ross Tours has an impeccable safety record and the fleet is maintained to international specifications. Hylton Ross Tours' continuous aim is to 'connect dreams to destinations'.

THOMPSONS TOURING & SAFARIS

Depth of experience and knowledge makes Thompsons Touring & Safaris, a leader when it comes to small, set-itinerary, frequent departure escorted, day and sightseeing tours, daily shuttles and point-to-point transfers throughout Southern Africa.

With offices in 14 centres throughout Southern Africa, its own fleet of micro and midi-buses plus a chartered fleet of touring coaches, this operation offers the widest possible range of touring products. The overland seat-in-vehicle escorted tours are offered in English, German and Spanish, and most other major languages available by arrangement.

The Safari business is based in three locations: Hazyview and Malalane for the Kruger National Park, Hluhluwe for the Hluhluwe-Imfolozi Park plus Lake St Lucia – a World Heritage Site and Kasane for the Chobe National Park in Botswana. It has a concession to conduct open-vehicle game drives, walks and camping safaris in these protected areas.

The inclusion of fine accommodation ensures an all-round high-quality touring experience at affordable prices, a winning combination which has been well received by the international market.

RETAIL DIVISION

PENTRAVEL

A specialist leisure travel agency operating for over 26 years offers airfares, accommodation, tours, cruising, car hire, insurance, visa and foreign exchange services. This well-known retail travel agency has 24 Pentravel sales shops, all of which are located in premier shopping malls across South Africa. In addition to functioning as a standard travel agency, Pentravel distributes and sells reputable airlines and leisure travel brands, including those of its sister division, Thompsons Holidays. It is supported by a Central Service Marketing and Product Development Unit based in Durban.

This team is well-known for providing professional, efficient and passionate service to the South African traveller.

THOMPSONS LEISURE TRAVEL

The division is a travel agency selling to the South African traveller and promoting the sales of the Thompsons Holidays product range, while focusing on providing the full spectrum of other holiday products available to the South African holiday maker. Offices are in Johannesburg, Durban and Cape Town.

THOMPSONS CORPORATE TRAVEL

This division, which is also a member of the XL Travel Group consortium, offers a specialist approach to the corporate traveller. The division prides itself on its ability to create flexible product tailor-made to individual business requirements. Well known and highly regarded in the business travel community, they are conveniently located in Johannesburg, Durban and Cape Town.

MARINE AND BOATING

CENTRAL BOATING (PTY) LTD

The specialist distributor of premier boating equipment brands throughout South Africa for the past 33 years was acquired in October 2008. This Cape Town based company sells via four primary channels: Retail, Wholesale, Original equipment, and a specialist in-house boat-building arm which services Robertson & Caine.

Central Boating is focused on expanding its wholesale division and is striving to increase its number of distribution agencies throughout South Africa. Having invested in additional staff and a new warehousing facility, the company is well placed to grow its market share in the industry.

MANEX MARINE

Based in the Western Cape and with a branch office in Johannesburg. Manex has, over the past 42 years, been one of South Africa's leading suppliers to the yachting, yacht-building, powerboat and scuba-diving industries. The business distributes many well known yachting and diving brands.

BUSINESS DEVELOPMENT DIVISION

The division was created in 2009 to focus the group on various projects to support community development in South Africa. The three main focuses are:
– Enterprise development through partnership with small and emerging businesses;
– Community assistance; and
– Improving skills and training in South African local communities.

GROUP FIVE-YEAR FINANCIAL REVIEW

	2009 R000	2008 R000	2007 R000	2006 R000	2005 R000
STATEMENT OF FINANCIAL POSITION					
at 30 September					
Assets					
Property, plant and equipment	**52 695**	60 544	63 876	50 721	16 204
Intangible assets	**26 055**	27 705	25 529	24 287	21 326
Investment properties	**11 551**	7 757	331	331	331
Investments	**4 294**	2 278	1 224	200	120
Deferred tax asset	**1 227**	3 608	3 030	3 573	4 193
Goodwill	**33 593**	24 070	23 721	23 802	11 869
Cash resources	**96 530**	130 169	122 168	124 826	101 790
Other current assets	**142 644**	153 784	166 364	86 274	73 191
Total assets	**368 589**	409 915	406 243	314 014	229 024
Equity and liabilities					
Ordinary shareholders' equity	**111 520**	92 855	83 785	71 188	60 166
Preference shareholders' equity	**546**	546	546	1 046	1 046
Non-controlling interest	**5**	5	5	3	–
Interest-bearing debt	**37 172**	39 056	45 015	39 048	1 600
Preference share liability portion	**500**	500	500	–	–
Deferred tax liability	**3 067**	2 386	1 729	1 241	–
Operating lease accrual	**10 483**	8 405	5 799	–	–
Other current liabilities	**205 296**	266 162	268 864	201 488	166 212
Total equity and liabilities	**368 589**	409 915	406 243	314 014	229 024
STATEMENT OF COMPREHENSIVE INCOME					
for the year ended 30 September					
Revenue	**406 509**	397 603	359 716	269 076	230 299
Operating profit	**22 566**	16 710	27 383	23 575	20 725
Net finance income	**2 143**	3 027	3 941	4 648	4 968
Preference dividends paid	**(55)**	(55)	(55)	(54)	(1 566)
Share of profits/(losses) of associates	**(771)**	342	676	–	–
Share of profits of joint ventures	**183**	710	348	–	–
Profit before tax	**24 066**	20 734	32 293	28 169	24 127
Tax expense	**(6 115)**	(4 424)	(10 026)	(9 191)	(8 901)
Profit for the year	**17 951**	16 310	22 267	18 978	15 226
GROUP STATISTICS					
Increase/(decrease) in cash and cash equivalents	**(33 639)**	8 001	(2 658)	23 036	(5 234)
Ordinary share performance (cents per share)					
Attributable earnings per share	**2.50**	2.27	3.10	2.64	2.12
Headline earnings per share	**2.04**	0.69	3.10	2.64	2.26
Net asset value	**15.60**	13.00	11.74	10.06	8.52
Closing market price	**45.00**	33.00	65.00	44.00	45.00
Liquidity					
Current ratio	**1.14:1.00**	1.05:1.00	1.06:1.00	1.03:1.00	1.05:1.00
Other					
Number of ordinary shares issued (000)	**718 355**	718 355	718 355	718 272	718 188
Weighted average shares (000)	**718 355**	718 355	718 355	718 272	718 188
Number of employees	**856**	994	1 032	940	834

EXECUTIVE CHAIRMAN'S REPORT

OVERVIEW

It gives me great pleasure to present my report for the year ended September 2009. The year under review was undoubtedly a difficult year with the worldwide economic crisis first affecting international tourism and subsequently impacting the local economy with the resultant marginal increase in turnover of 4% for the year. However, I would like to thank the board, management and staff who rose to meet the challenge with the result that I am able to report a significantly higher operating profit and headline earnings than for 2008 and that the business is well placed for the future.

The improved performance in spite of the economic downturn was achieved in a number of ways. Steps taken included the appointment of three new divisional managing directors in Thompsons Holidays, Manex and Pentravel, the revamp of the travel product, looking for and implementing steps to improve efficiency within business units and across the group, and more stringent control of overheads. It is therefore extremely pleasing to look back and see that, despite a difficult first half of the year when operating profit was 65% below that of the previous period, measures taken have achieved their goal, with operating profit of R22.566 million for the 12 month period exceeding that of 2008 by 35%, and headline earnings of R14.636 million (2008: R4.972 million).

It has also meant that the group is well placed to take advantage of the expected upturn in the economy going forward.

REVIEW OF OPERATIONS

Marine and Leisure

The Marine and Leisure unit consists of Central Boating and Manex Marine. The unit has benefited directly from the acquisition of Central Boating in October 2008 and indirectly through the synergy between Central Boating and Manex Marine. In addition, improved management input has resulted in Manex turning in a very good performance for the year.

Manex Marine

Manex is a supplier to the diving and yacht building industry. The business holds agencies for a number of key brands in these industries. The division has benefited from steps taken last year, including the appointment of a new managing director. Despite significant pressure on margins, the business has performed well through better management of cash flow, overheads and by removing unprofitable brands. This has meant that in spite of a global slowdown in demand, the business has operated profitably and expects to do so in the future.

Central Boating

Central Boating is a supplier to the yacht industry and holds agencies for a number of leading brands. These are in many cases complementary to Manex. The business was acquired in October 2008 and met all expectations despite pressure on its margins due to the worldwide recession.

Coaching and Touring

The Coaching and Touring segment effectively owns and runs the vehicle fleet for the Cullinan Group. It includes Hylton Ross Tours, Thompsons Touring and Safaris and together with Wilderness Safaris, owns the Zambian Touring Company, Chobezi Tours in Chobe, Botswana and Thompsons Zimbabwe, in Victoria Falls. The fleet constitutes 130 vehicles ranging from 44 seater coaches to 10 seater game vehicles.

Thompsons Touring and Safaris

The Touring division provides tourism products for the Inbound division. These include escorted tours, general sightseeing and open vehicle game drives in the National Parks which are offered throughout Southern Africa. Turnover has declined slightly but as this was anticipated, steps were taken in advance to manage this including de-fleeting in winter, reducing the permanent staff complement and generally managing costs. The result has been that profitability has been maintained at 2008 levels.

Hylton Ross Tours

Hylton Ross Tours operates coaches and vehicles for hire and charter in the domestic travel market and also provides day tours in and around the Western Cape and the Garden Route. The business was also affected by the decline in demand. Again, as this was anticipated, steps were taken in advance to manage this and results for 2009 were satisfactory.

Regional Touring (Zambia, Zimbabwe and Botswana)

The regional businesses have been impacted by the drop in sales. However, the operation is well run, with a modern fleet and we expect to see an improvement in the profits from this region in 2010. In addition, the liberalisation of the Zimbabwean economy should see this area improving and make operations significantly simpler.

Travel Agencies

The Leisure and Corporate Travel Agency business consists of Pentravel and Thompsons Corporate and Leisure Travel. This sector has been hard hit by the economy with pressure on sales volumes and margin. Pentravel in particular is subject to relatively high fixed costs with shops in high volume shopping malls.

Thompsons Corporate and Leisure Travel

Thompsons Travel is a retail travel agency with offices in Johannesburg, Cape Town and Durban. Both the Corporate and Leisure divisions showed a decline in profitability this year. Steps have been taken to manage costs while the sales effort is being strengthened in the corporate arena to bring in new business.

Pentravel

Pentravel is a chain of 23 retail travel outlets located in the major shopping malls throughout South Africa. It has also experienced a reduction in sales and profitability this year in line with the general slow down in travel by South Africans. In July, a new managing director was appointed with a view to increasing sales by increasing the staff complement at critical stores and creating a more sales driven staff ethos.

Tour Operators

The tour operators within Cullinan consist of Thompsons Holidays, Thompsons Africa, Planet Africa and Thompsons Gateway Singapore. These businesses have been affected by the drop in demand for travel but recovered well in the second half of the year with a strong focus on customer service and value and better management of costs which delivered the desired result.

Thompsons Holidays (the Outbound division)

The Holidays division is the premier wholesale supplier of travel related products and holidays to the South African market, distributing its holiday product through domestic travel agencies and consortiums. Consistent with travel worldwide, the domestic travel market has been affected by the downturn in the economy. The impact of the slowdown has meant that, although clients continue to travel, they demand greater value.

Having recognised the challenges of providing greater value, innovation, efficiency and cost management, the board appointed a new managing director of the division in February. In addition, Thompsons launched the "Thompsons Collection", a focused, quality and value based range of products to various destinations, with great success. Together with a number of other market leading initiatives such as launching a "rate of exchange price guarantee", improving marketing focus, concentrating on optimising advertising space and tighter cost control measures, the division saw a marked turnaround in the second half of the year and consistent with the rest of the group, looks well placed going into 2010.

Thompsons Africa (the Inbound division)

The Thompsons Africa division is the leading South African tour wholesaler and destination marketing organisation. It sells Southern African travel packages to international tour operators with a blue chip customer base. The customer base is geographically well spread and Thompsons Africa has been acknowledged as the most recognised brand amongst South African destination management companies operating in the international travel market.

The business has also been affected by the worldwide downturn in demand for travel, especially from the traditionally high volume markets such as Germany and the United Kingdom. This slowdown was felt sooner than within the domestic market and therefore steps were taken from mid 2008 to address this. Consistent with what has been felt domestically, there was demand for better value and innovation in product design and the division addressed this. In addition, major steps were taken to improve efficiencies and cost management and this has resulted in significant improvements in profitability, which was particularly noticeable in the second half of the 2009 financial year (which is traditionally low season) and which improved the division's results.

Planet Africa

The Planet Africa division is a joint venture operation formed to sell and market Southern Africa primarily to Japanese and Korean tour operators. It is the largest incoming tour operator operating in the Japanese market and although affected by a drop in demand out of Japan, this market is expected to recover in 2010.

Thompsons Gateway

Gateway is a sales office in Singapore, selling Southern African packages to the South East Asian travel trade. It has maintained a reasonable level of turnover although profitability has declined.

PROSPECTS

We are positive for the year ahead, with the changes made in 2009 leaving the group well placed for 2010. New management has been appointed in key areas, the business is focused on its core competencies especially in providing exceptional value and service to its customers and the group continues to believe that this will differentiate it from its competitors. In addition, there has been a focus on synergy within the business in both selling and control of overheads.

The effect of the 2010 World Cup remains to be seen. Two Thompsons divisions have contracted with Match AG to supply services and the long-term tourism prospects for the country look positive, particularly for inbound tourism.

M Tollman
Executive Chairman

28 January 2010

CORPORATE GOVERNANCE

The company endorses the Code of Corporate Practices and Conduct as set out in the King II Report and believes that it complies with the major recommendations of the Code.

The company also recognises the principles and practices required by the King III Report and is actively working to comply with these in 2010.

BOARD OF DIRECTORS

The board of directors comprises six non-executive directors and three executive directors.

The board meets at least four times a year and is responsible for monitoring the group's performance and determining group strategy. Attendance of directors for the financial year was as follows:

		Board	Audit committee	Remuneration committee
LA Pampallis	Executive	5/5		
MA Ness	Non-executive	5/5	2/2	2/2
DD Hosking	Non-executive	3/5	2/2	2/2
VET O'Hana	Non-executive	2/5		
M Tollman	Executive	5/5	1/1*	
AN Viljoen (resigned 18 March 2009)	Executive	1/1	1/1	2/2
GB Tollman	Non-executive	5/5		
DK Standage (appointed 18 March 2009)	Executive	4/4	2/2*	
DT Madiala (appointed 1 October 2009)	Non-executive	1/1	1/1	
R Arendse (appointed 15 December 2009)	Non-executive	1/1	1/1	

* *by invitation*

Board meetings held on 11/12/2008, 18/03/2009, 15/04/2009, 28/09/2009, 15/12/2009
Audit committee meetings held on 11/12/2008, 25/01/2010
Remuneration committee meetings held on 11/12/2008, 15/12/2009

In terms of Article 20.0 of the Articles of Association, the following directors retire and are eligible for re-election:
– LA Pampallis
– MA Ness
– DD Hosking

Michael Tollman
Age 48. Resident of South Africa. BComm, South African Chartered Accountant. Extensive experience worldwide in the travel and leisure industry. In particular, brings knowledge and experience to the board in the areas of finance, travel, mergers and acquisitions.

Linda Pampallis
Age 52. Resident of South Africa. Chief Executive Officer of Thompsons Africa, the Thompsons Inbound division. She has been involved in the local travel industry for 34 years and serves on the board of the International Convention Centre Durban.

Michael Ness
Age 64. Resident of Switzerland. President and Chief Executive Officer of The Travel Corporation. Involved in the travel industry for 42 years, during which he oversaw the growth of Trafalgar Tours from a small European operator to the world's largest Coach Tour Operator. Actively involved in expansion, including the purchase of Contiki Holidays, Insight Vacations, Creative Holidays, New Horizons and Evan Evans, which led to the formation of The Travel Corporation as well as some subsidiaries.

David Hosking
Age 56. Resident of Switzerland. President and Chief Executive Officer of Travcorp SA in Switzerland. Also Managing Director of Contiki Holidays. Involved with Contiki for 33 years. Has intensive knowledge of touring worldwide, setting up programmes in Europe, USA, Canada, Australia, New Zealand, Asia and Africa.

Vicki O'Hana
Age 46. Resident of Switzerland. Director of The Travel Corporation. Has extensive experience in the hotel industry and is active in The Travel Corporation's Hotel business, Red Carnation Hotels. Is a director of the 12 Apostles Hotel in Cape Town, South Africa. Brings excellent knowledge of the hospitality industry to the Cullinan board.

(continued)

Gavin Tollman
Age 46. Resident of the United Kingdom. Has had a far-reaching executive career in the travel industry which has included managing both hotel companies and tour operators. Currently is the CEO of Trafalgar Tours, largest escorted tour operator in Europe and Britain. Also serves on various industry boards and focus groups.

David Standage
Age 43. Resident of South Africa. BComm, South African Chartered Accountant. Group Financial Director and Company Secretary of Cullinan Holdings. 14 years experience within the Thompsons Group.

Mato Madlala
Age 49. Resident of South Africa. Owner and Chairperson of Premier League Football team, Golden Arrows FC. Board member of the International Convention Centre Durban. Significant experience in the football arena.

Rudewaan Arendse
Age 40. Resident of South Africa. BA (Honours). Extensive experience in government, the Middle East and Africa. In particular, brings knowledge, networks and experience to the board in the areas of business development, engaging government and corporates, understanding and setting up programmes in the Middle East and Africa.

DIRECTORS' DEALING IN SHARES

There are no shares or share options held by directors.

AUDIT COMMITTEE

The audit committee comprises two independent non-executive directors (DT Madlala and R Arendse) and two non-executive directors (DD Hosking and MA Ness) and is chaired by an independent non-executive director (R Arendse). A senior partner from the company's auditors attends all meetings. The committee meets twice a year and reviews the annual and interim financial statements before they are submitted to the board.

The committee's main functions are to assist the directors in:

- Safeguarding the group's assets;
- Ensuring that adequate accounting records are maintained;
- Ensuring that proper internal control systems are in place; and
- Facilitating communication between the board, management and the external auditors.

REMUNERATION COMMITTEE

The remuneration committee comprises two non-executive directors (DD Hosking and MA Ness) and an executive director (M Tollman) and is chaired by a non-executive director (DD Hosking). The committee reviews and approves annual salaries, management incentive schemes, share option allocations and generally advises on group remuneration matters.

BOARD COMMITTEES

In terms of the Listings Requirements of the JSE, the company has policies relating to:

- Appointments to the board of directors; and
- Division of responsibilities of directors.

ACCOUNTING RECORDS AND INTERNAL CONTROL

The directors have ensured that adequate systems of internal control are designed, maintained and complied with.

BLACK ECONOMIC EMPOWERMENT

The board of directors acknowledges the importance of BEE in the transformation of South Africa and has adopted a Broad-Based BEE Tourism Sector Charter that will secure and potentially increase Cullinan's competitive advantage into the future.

The company has developed an internal scorecard approach with a 7 factor enabling framework, based on the Tourism BEE Charter and Scorecard as published by the Department of Trade and Industry and the Tourism Business Council of South Africa (TBCSA), in order to both set objectives and track progress. Cullinan's BEE contribution can be measured against this scorecard.

LABOUR LEGISLATION

The group conforms to labour legislation and subscribes to the principles of fairness developed and applied in labour dispute resolution forums. Annual returns have been submitted in terms of the requirements of the Employment Equity Act 1998.

HIV/AIDS

Cullinan Holdings recognises that HIV/AIDS in South Africa will impact on business and employees to a greater or lesser degree. In this context, the company has committed to measuring and understanding the potential impact of HIV/AIDS in the company, and to the implementation of an HIV/AIDS prevention and impact management strategy. The broad objectives of this programme will be:

- To build capability to manage the impact of HIV/AIDS;
- To constrain the development of new cases of HIV/AIDS in the organisation;
- To manage existing cases of HIV/AIDS effectively from a medical and psychological perspective; and
- To mitigate stigma in the workplace which embraces both the rights and responsibilities of all employees with regard to HIV/AIDS.

ETHICS

The group is committed to the highest standards of integrity, behaviour and ethics in dealing with all its stakeholders.

ENVIRONMENT

Cullinan Holdings makes an effort to ensure that all its business units are operated in a manner that minimises the effects on the environment and attempts are made to enhance their surroundings wherever possible.

AUDIT COMMITTEE REPORT

The audit committee of the company and the group has pleasure in submitting this report, as required by sections 269A and 270A of the Companies Act.

1. FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee has discharged its functions as follows:

1.1 Reviewed the interim and year-end financial statements, culminating in a recommendation to the board. In the course of its review the committee:

* took appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act;
* considered and, when appropriate, made recommendations on internal financial controls; and
* dealt with concerns or complaints relating to the following:
  – accounting policies;
  – internal audit;
  – the auditing or content of the annual financial statements; and
  – internal financial controls;

1.2 Reviewed the external audit reports on the annual financial statements;

1.3 Evaluated the effectiveness of risk management, controls and governance processes;

1.4 Verified the independence of the external auditor;

1.5 Approved the audit fees and engagement terms of the external auditor; and

1.6 Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditor.

2. MEMBERS OF THE AUDIT COMMITTEE

2.1 The audit committee comprises two independent non-executive directors, DT Madlala and R Arendse (chairman), and two non-executive directors, DD Hosking and MA Ness.

2.2 The members of the audit committee have at all times acted in an independent manner.

3. FREQUENCY OF MEETINGS

The audit committee met twice regarding the financial year under review.

4. ATTENDANCE

The internal and external auditors, in their capacity as auditors to the company and group, attended and reported to all meetings of the audit committee.

Executive directors and relevant senior managers attended the meetings by invitation.

5. CONFIDENTIAL MEETINGS

Audit committee agendas provide for confidential meetings between the committee members and the internal and external auditors.

6. INDEPENDENCE OF EXTERNAL AUDITOR

During the year under review the audit committee reviewed a report by the external auditor and, after conducting its own review, confirmed the independence of the auditor.

7. EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR

As required by JSE Listings Requirement 3.84(h), the audit committee has satisfied itself that the financial director has appropriate expertise and experience.

R Arendse
Chairman

28 January 2010

SHAREHOLDERS' ANALYSIS

An analysis of the shareholding at 30 September 2009 as required by the JSE Limited (JSE) is as follows:

ORDINARY SHARES

Type of listed security	**Ordinary shares**
Total number of securities in issue	**718 355 204**

Type of shareholder	**Number of shareholders**	**Number of securities held**	**% securities held**
Public	1 004	39 447 897	5.49
Non-public	3	678 907 307	94.51
Total	**1 007**	**718 355 204**	**100.00**

ANALYSIS OF NON-PUBLIC ORDINARY SHAREHOLDERS

Type of shareholder	**Number of shareholders**	**Number of securities held**	**% securities held**	**Options to subscribe for ordinary shares**
Directors of the company or any of its subsidiaries	0	0	0	0
Any person who is interested in 10% or more of the securities of the relevant class unless the JSE determines that such person can be included in the public for the purpose of paragraphs 4.29(d) and (e), 4.31 (g)(iv) and (v)	2	533 362 890	74.25	0
Any associates of the above	1	145 544 417	20.26	0

SHAREHOLDERS

PUBLIC **Name**	**Holding**	**% holding**
Holding less than 5%	39 447 897	5.49
NON-PUBLIC		
Travcorp Financial Services Limited	456 313 278	63.52
BBH Collins Stewart Limited	145 544 417	20.26
BB Inv Co (Pty) Limited	77 049 612	10.73
Holding less than 5%	0	0
	678 907 307	94.51
Total	**718 355 204**	**100.00**

5.5% CUMULATIVE PREFERENCE SHARES

Type of listed security	**5.5% cumulative preference shares**
Total number of securities in issue	**500 000**

Type of shareholder	**Number of shareholders**	**Number of securities held**	**% securities held**
Public	57	500 000	100
Non-public	0	0	0
Total	**57**	**500 000**	**100**

SHAREHOLDERS

PUBLIC **Name**	**Holding**	**% holding**
Shotter - Peter Robert Surtees	147 843	29.57
SA Equities Limited	91 500	18.30
Old Sillery (Pty) Limited	150 128	30.03
Holding less than 5%	110 529	22.10
Total	**500 000**	**100.00**

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and group annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements and group annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements and group annual financial statements.

The annual financial statements and group annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored through the company and group and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company and group. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements and group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's and group's cash flow forecast for the year to 30 September 2010 and, in the light of this review and the current financial position they are satisfied that the company and group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements and group annual financial statements. The annual financial statements and group annual financial statements have been examined by the company's external auditors and their report is presented on page 15.

The annual financial statements and group annual financial statements set out on pages 16 to 49, which have been prepared on the going concern basis, were approved by the board on 28 January 2010 and were signed on its behalf by:

M Tollman
Executive Chairman

28 January 2010

CERTIFICATE OF THE COMPANY SECRETARY

In my capacity as Company Secretary, I hereby confirm, in terms of section 268 G(d) of the Companies Act, 1973, that for the year ended 30 September 2009, the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

DK Standage
Company Secretary

28 January 2010

INDEPENDENT AUDITOR'S REPORT

To the members of Cullinan Holdings Limited

We have audited the consolidated annual financial statements and annual financial statements of Cullinan Holdings Limited, which comprise the statements of financial position as at 30 September 2009, and the statements of comprehensive income, the statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 16 to 49.

COMPANY'S DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Cullinan Holdings Limited as at 30 September 2009, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Mazars Moores Rowland
Registered Auditor

Partner: Mark Snow
Registered Auditor

Johannesburg
28 January 2010

DIRECTORS' REPORT

for the year ended 30 September 2009

The directors have pleasure in submitting their report for the year ended 30 September 2009.

GENERAL REVIEW

The main business of the group is inbound and outbound travel services. The financial statements on pages 26 to 49 set out fully the financial position, results of operations and cash flows of the group for the year.

FINANCIAL RESULTS

The consolidated profit for the year attributable to equity holders of the company was R17.951 million (2008: R16.310 million).

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

A schedule giving the details of the company's holdings in subsidiary companies, associate companies and an investment in a joint venture appear in notes 5 and 6. The aggregate net profit of subsidiaries, associates and joint venture attributable to the company for the year was as follows:

	2009 R'million	2008 R'million
Profit for the year from subsidiaries, associates and joint ventures	**9.584**	9.661

AUTHORISED AND ISSUED SHARE CAPITAL

There were no changes to the authorised or issued share capital or preference shares during the year. See note 12 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

There has been no change to the nature or policy with regard to the use of property, plant and equipment during the year. During the year, property, plant and equipment to the value of R5.481 million (2008: R13.522 million) was acquired by the group and R2.701 million (2008: R12.205 million) by the company.

BORROWING FACILITIES

The group has short-term borrowing facilities amounting to R17.3 million as well as a long-term revolving facility of R25 million with the Standard Bank of South Africa Limited. The loan bears interest at prime.

EVENTS OCCURRING SUBSEQUENT TO BALANCE SHEET DATE

There are no material post balance sheet events to report.

DIRECTORS

The following directors served in office during the year ended 30 September 2009:

M Tollman	–	Executive Chairman
MA Ness	–	Non-Executive Director (British)
DD Hosking	–	Non-Executive Director (New Zealand)
VET O'Hana	–	Non-Executive Director
LA Pampallis	–	Executive Director
AN Viljoen	–	Executive Director (resigned 18/03/2009)
GB Tollman	–	Non-Executive Director (USA)
DK Standage	–	Executive Director (appointed 18/03/2009)
DT Madlala	–	Non-Executive Director (appointed 01/10/2009)
R Arendse	–	Non-Executive Director (appointed 15/12/2009)

DIVIDENDS

No ordinary dividends (2008: R7.184 million) were declared and paid during the year. Preference dividends of R55 000 (2008: R55 000) were declared and paid during the year.

COMPANY SECRETARY

Mr DK Standage was appointed Company Secretary on 18/11/2008 and remained Company Secretary for the year.

INTEREST OF DIRECTORS

The directors do not hold any direct or indirect interest in the company's ordinary share capital.

DIRECTORS' INTEREST IN CONTRACTS

The directors have no interest in contracts with the company.

DIRECTORS' REMUNERATION

The remuneration of directors is disclosed in note 23 to the annual financial statements.

HOLDING COMPANY

The company has a holding company, Travcorp Financial Services Limited, incorporated in Guernsey.

AUDITORS

Mazars Moores Rowland was re-elected as auditors in 2009 in terms of the Companies Act, 1973 of South Africa.

SPECIAL RESOLUTIONS

No special resolutions were passed during the year.

M Tollman
Director
28 January 2010

DK Standage
Director
28 January 2010

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) as approved by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act of South Africa. The financial statements are prepared on the going concern basis under the historical cost convention as modified by the revaluation of certain financial instruments and investment properties which are measured at fair value, and incorporate the following accounting policies which are consistent for both years disclosed.

BASIS OF CONSOLIDATION

The consolidated financial statements include those of Cullinan Holdings Limited, its foreign and domestic subsidiaries, associates and joint ventures.

Investment in subsidiaries

Subsidiaries are those entities over whose financial and operating policies the group has the power to exercise control, so as to obtain benefits from their activities.

The group financial statements incorporate the assets, liabilities and results of the operations of the company and its subsidiaries. The results of subsidiaries acquired and disposed of during a financial year are included from the effective dates of acquisition to the effective dates of disposal. Where there is a loss of control of a subsidiary the consolidated financial statements include the results for the part of the reporting year during which the group had control. Where necessary, the accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the group.

On acquisition the assets, liabilities and contingent liabilities are measured at the fair values at the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the income statement.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses where applicable to minority interest in excess of the minority interest are allocated against the interests of the parent.

Investments in subsidiaries are carried at cost in the company's financial statements.

Investment in associates

An associate is an entity over which the group is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions. The entity is neither a subsidiary nor an interest in a joint venture.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Where available the most recent audited financial statements are used. However, in certain instances unaudited financial statements are used as of the same year-end date of the group, unless it is impracticable to do so in which case financial statements are used that are prepared within a three month period of the group's year-end and adjusted for significant transactions.

Investments in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of the individual investments in terms of the equity method of accounting. Losses of an associate in excess of the group's interest in that associate are not recognised.

Goodwill relating to an associate is included in the carrying amount of the investment. After application of the equity method, the group determines whether it is necessary to recognise any impairment loss with respect to the group's net investment in the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity.

Investments in associates are carried at cost in the company's financial statements.

Investment in joint ventures

Joint ventures are those entities over which the group has the ability to exercise joint control in terms of a contractual agreement and the results are incorporated using the equity method of accounting (as explained above). The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Where available the most recent audited financial statements are used. However, in certain instances unaudited financial statements are used as of the same year-end date of the group, unless it is impracticable to do so in which case financial statements are used that are prepared within a three month period of the group's year-end and adjusted for significant transactions. The group's share of post-acquisition earnings of joint ventures is included in earnings attributable to ordinary shareholders from their effective dates of acquisition.

Investments in joint ventures are carried at cost in the company's financial statements.

Non-controlling interests

Non-controlling interests are treated as equity participants and, therefore, all acquisitions of non-controlling interests by the group in subsidiary companies are accounted for using the entity concept method. Under this method, the assets and liabilities of the subsidiary are not restated to reflect their fair values at the date of the acquisition. The difference between the purchase price and the non-controlling interest's share of the assets and liabilities reflected in the consolidated balance sheet at the date of the acquisition is reflected as being a transaction between owners, an equity transaction.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements together with related and unrealised gains and losses.

BUSINESS COMBINATIONS

Business combinations are accounted for using the purchase method of accounting.

Non-controlling interests are treated as equity participants and, therefore, all acquisitions of non-controlling interests by the group in subsidiary companies are accounted for using the entity concept method. Under this method, the assets and liabilities of the subsidiary are not restated to reflect their fair values at the date of the acquisition. The difference between the purchase price and the non-controlling interest's share of the assets and liabilities reflected in the consolidated balance sheet at the date of the acquisition is reflected as being a transaction between owners, an equity transaction.

Non-controlling interests are separately presented within equity in the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is initially recorded at cost and adjusted for accumulated depreciation and any accumulated impairment in value.

Where expenditures incurred on property, plant and equipment will lead to future economic benefits accruing to the group, these costs are capitalised. Repairs and maintenance are expensed as and when incurred.

Land and buildings are accounted for using the revaluation model and are measured at fair value. Fair value is determined by an external valuer every three years. A gain or loss arising from a change in fair value is credited to other comprehensive income and accumulated in equity for the period in which it arises.

Depreciation is provided on a straight-line basis to write off the cost of the asset to its residual value over the estimated useful life from the date that the asset becomes available for use. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Leasehold improvements	20% per annum
Plant and machinery	10% to 20% per annum
Furniture and fittings	7.5% to 20% per annum
Computer equipment	25% to 33% per annum
Motor vehicles	12.5% to 25% per annum
Buildings	5% per annum

Depreciation is not provided on freehold land.

The depreciation method, residual value and the useful life of each asset is reviewed at each financial period-end and any adjustment is treated as a change in estimate when necessary.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately where applicable.

Property, plant and equipment purchased under suspensive sale agreements is capitalised and accounted for on the same basis as other assets in the asset class mentioned above. Finance charges on such suspensive sale agreements are accounted for as interest paid using the effective interest rate method.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

INVESTMENT PROPERTIES

Investment properties are those properties held for capital appreciation or for rental income.

Investment properties are initially recognised at cost. Transaction costs are included in the initial measurement. Costs include costs incurred initially and costs incurred subsequently to add to or to replace a part of a property.

Subsequent to initial recognition investment properties are measured at fair value. Fair value is determined by an external valuer every three years. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Investment properties are derecognised on disposal or when permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising on derecognition of investment properties, determined as the difference between the proceeds received and the carrying amount of the investment property, are recognised in profits or loss.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if the carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which is expected to occur within a year from the date of classification. Non-current assets held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell. Any impairment is recognised directly in profit and loss.

LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Classification is determined at the inception of the lease.

Finance leases

Finance leases are recognised as assets and liabilities in the balance sheet on commencement of the lease at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

GOODWILL

Goodwill arising on consolidation represents the excess of the cost of the acquisition over the group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a business at the date of the acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purpose of impairment testing goodwill is allocated to each of the group's cash generating units. Cash generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit the impairment loss is first allocated to the goodwill allocated to the unit and then to the other assets of the unit pro rata to the carrying amount of each asset.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS

Intangible assets comprise computer software acquired and computer software development costs.

Intangible assets are initially recognised if:
- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses if any.

Amortisation is provided on a straight-line basis so as to write off the cost over the asset's estimated useful life. The intangible assets' residual value is nil. The useful life used for this purpose is three to eight years.

The amortisation method, residual value and useful life of each intangible asset is reviewed at each financial year-end and adjusted as a change in estimate if necessary.

Intangible assets are derecognised on disposal or retirement of the asset.

IMPAIRMENT

The carrying amounts of the group's assets, other than goodwill, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its fair value less costs to sell and its value in use. The impairment loss is arrived at by comparing the carrying value to the recoverable amount. An impairment loss is recognised when the carrying value of the asset is higher than the estimated recoverable amount.

INVENTORIES

Inventories are valued at the lower of cost, as defined below, and net realisable value. Net realisable value is defined as the selling price less any costs associated with the sale.

Cost is determined on a weighted average basis. Obsolete, redundant and slow-moving stocks are written down where appropriate to net realisable value.

FINANCIAL INSTRUMENTS

The group recognises financial instruments when it becomes party to the contractual provisions of the instrument.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. These are measured on initial recognition at fair value plus transaction costs, unless classified as at fair value through profit and loss.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

The interest income or expense is recognised on an effective interest basis for all financial instruments, other than those financial assets designated as fair value through profit and loss.

Financial assets

The group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The group's accounting policy for each category is as follows:

Fair value through profit or loss

Included in this category are forward exchange contracts that are used by the group to hedge its risks associated with currency fluctuations.

Forward exchange contracts are derivatives, which are classified as held for trading and carried at fair value through profit or loss. The group does not have any other assets that should be classified as held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

The fair value of forward exchange contracts is calculated through reference to the current forward exchange rates with similar maturity profiles. Any gains or losses arising from the change in fair value, calculated as the difference between the instrument's forward value and the forward value of a current instrument with a similar maturity profile, are taken directly to the income statement.

Where derivatives have a positive value they are classified as financial assets and where they have a negative value they are classified as financial liabilities. These financial assets/liabilities do not meet the definition of a hedge in terms of IAS 39 Financial Instruments: Recognition and Measurement.

Loans and receivables

Loans and receivables include accounts receivable, intergroup loans and cash resources.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary assets. They are subsequently carried at amortised cost less any impairment.

Impairment
Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Recognition
Financial assets are derecognised when the contractual rights to the asset expire or where there is a transfer of the contractual rights or where there is a transfer of substantially all the risks and benefits associated with the asset.

Financial liabilities
The group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The group's accounting policy for each category is as follows:

Fair value through profit and loss
Forward exchange contracts are derivatives that are classified as financial liabilities where they have a negative value. They are carried in the balance sheet at fair value with changes in fair value recognised in profit or loss.

Other financial liabilities
Other financial liabilities include trade payables, other short-term monetary liabilities, and bank borrowings. These are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs.

Derecognition
Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting of financial assets and liabilities
Financial assets and liabilities are offset when there is both an intention to settle on a net basis (or simultaneously) and a legal right to offset exists.

Fair value methods and assumptions
The fair value of financial instruments traded in an organised financial market is measured at the applicable quoted prices.

The fair value of financial instruments not traded in an organised financial market is determined using a variety of methods and assumptions that are based on market conditions and risk existing at balance sheet date, including independent appraisals and discounted cash flow methods.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date for similar instruments.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprise cash balances, cash on call and overdrafts.

SHARE CAPITAL
Ordinary shares are classified as equity. Preference shares have been split into their debt and equity components.

Where a group company purchases or holds the company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, 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.

TAXATION
Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date and any adjustment of tax payable for the previous years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at balance sheet date. Deferred tax is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in equity, or on initial recognition of an asset or liability that is not a business combination and, at the time of the transaction, affects neither accounting profit or taxable profit (tax loss). The effect on deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

REVENUE

Revenue comprises the net sales value to third parties of all invoices, commissions and finance income, excluding value added tax. Sales within the group are eliminated on consolidation.

Where group companies act as agents and are remunerated on a commission basis, only the commission income, and not the value of the business handled, is included in revenue.

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership have passed to the buyer.

Revenue from services is recognised when the services are rendered by reference to percentage of completion of the transaction.

Commissions are recognised either on finalisation of the booking, receipt of the payment or on the date of arrival in South Africa, depending on the commission agreements.

Interest is recognised as it accrues using the effective interest rate method on a time proportion basis.

When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

BORROWING COSTS

Borrowing costs are expensed as incurred.

DIVIDENDS

Dividends declared by the company to holders of the company's shares are recognised in the statement of changes in equity. Dividends that have not been declared at the balance sheet date are not accounted for in the current period. Such dividends are disclosed where the declaration occurred after the balance sheet date, but before these annual financial statements are approved for issue.

FOREIGN CURRENCIES

The functional currency of Cullinan Holdings Limited is South African Rands.

Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Gains and losses arising on translation are credited to or charged against profit and loss.

The group enters into forward exchange contracts to hedge its risk against changes in exchange rates. Open forward exchange contracts are measured at fair value at year-end. Resulting gains or losses are taken to profit and loss as foreign currency gains or losses.

Financial statements of foreign entities

The financial statements of foreign entities are translated into South African Rands as follows:

- Assets and liabilities are translated at rates of exchange ruling at the financial year-end.
- Income and expenditure and cash flow items are translated at the exchange rates at the date the transaction occurred.

The net resulting exchange difference arising from the translation of foreign entities is taken directly to a foreign currency translation reserve.

PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(continued)

EMPLOYEE BENEFITS

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

Employee entitlements to wages, salaries and annual leave represent the amounts which the group has a present obligation to pay as a result of employees' services provided to balance sheet date and have been accrued.

Retirement benefits

The company contributes to a provident fund. Contributions are charged against income as the employee renders the related service.

EARNINGS PER ORDINARY SHARE

Earnings per ordinary share are calculated by dividing income attributable to ordinary shares by the weighted average number of ordinary shares in issue.

SEGMENT REPORTING

The group is managed in two business segments which form the primary segment reporting basis: Travel and Tourism and Marine and Boating. The group's two segments operate mainly in South Africa but also have interests in Singapore and in certain other African countries.

The geographical location of the group's customers has been identified as the secondary basis of segment reporting.

The Travel and Tourism business sector provides wholesale and retail travel services to the local corporate market and to the local and international leisure markets.

The Marine and Boating segment supplies products to the local yachting, power boat and scuba diving industries.

Inter-segment sales are accounted for in the same way as sales to third parties at current market prices.

SIGNIFICANT JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Trade receivables – impairment testing

The group assesses its trade receivables for impairment at each balance sheet date. In determining whether an impairment for loss should be recorded in the income statement, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions. It is possible that the assumptions may change which may then impact estimations and require a material adjustment to the carrying value of assets.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested for impairment on an annual basis. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including the Rand exchange rate, political uncertainty and supplier capacity.

Provisions

Provisions are raised based on management estimates using all relevant information available.

NEW ACCOUNTING POLICIES AND INTERPRETATIONS

New standards adopted

IAS 1 Presentation of Financial Statements (amended)

Standards and Interpretations issued and not yet effective

All new accounting standards, interpretations and amendments to IFRS that were issued prior to the annual financial statements being issued but not yet effective on that date, were considered by management. The standards that are applicable to the group but that were not implemented early, are the following:

Number	Name	Effective date**	Effect on group
IFRS 2	Amendments to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations	1 January 2009	Effect being investigated
	Clarification of scope of IFRS 2 and IFRS 3 revised	1 July 2009	Effect being investigated
IFRS 3	Business Combinations	1 July 2009	Effect being investigated
IFRS 5	Improvements project	1 July 2009	Effect being investigated
IFRS 7	Amendments enhancing disclosures about fair value and liquidity risk	1 January 2009	Effect being investigated
	Amendments dealing with improving disclosures about financial instruments	1 January 2009	Effect being investigated
	Presentation of finance costs	1 January 2009	Effect being investigated
IFRS 8	Operating Segments	1 January 2009	Disclosure changes required
IAS 1	Presentation of Financial Statements	1 January 2009	Disclosure changes required
IAS 7	Cash flows from assets held for rental classified as operating activities	1 January 2009	Effect being investigated
	Classification of expenditures on unrecognised assets	1 January 2010	Effect being investigated
IAS 19	Improvements project	1 January 2009	No expected change
IAS 23	Borrowing Costs	1 January 2009	Effect being investigated
IAS 27	Consolidated and Separate Financial Statements	1 July 2009	Effect being investigated
IAS 36	Improvements project	1 January 2009	Additional disclosures expected

** *Annual periods beginning, unless otherwise indicated.*

The group intends to apply these pronouncements as they become effective.

STATEMENTS OF FINANCIAL POSITION

at 30 September 2009

	Notes	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
ASSETS					
Non-current assets		**122 864**	118 205	**124 503**	107 460
Property, plant and equipment	1	**52 695**	60 544	**24 773**	30 750
Investment properties	2.1	**5 000**	–	**7 700**	1 836
Goodwill	3	**33 593**	24 070	**10 805**	10 805
Intangible assets	4	**26 055**	27 705	**26 055**	27 705
Investment in subsidiary companies	5	**–**	–	**32 755**	32 755
Loans to subsidiaries	5	**–**	–	**18 631**	–
Investment in associate companies	6.1	**3 053**	1 220	**2 605**	–
Investment in joint venture	6.2	**1 241**	1 058	**–**	–
Deferred tax asset	7	**1 227**	3 608	**1 179**	3 609
Current assets		**239 174**	283 953	**182 171**	253 835
Inventories	8	**16 737**	9 925	**8 654**	9 907
Accounts receivable	9	**122 445**	142 969	**104 073**	133 008
Other financial assets	10	**754**	–	**798**	–
Taxation		**2 708**	890	**2 687**	877
Cash resources	11	**96 530**	130 169	**65 959**	110 043
Non-current assets held for sale	2.2	**6 551**	7 757	**5 351**	6 557
Total assets		**368 589**	409 915	**312 025**	367 852
EQUITY AND LIABILITIES					
Ordinary shareholders' equity	12-15	**111 520**	92 855	**84 365**	75 998
Preference shareholders' equity	12	**546**	546	**546**	546
Non-controlling interest		**5**	5	**–**	–
Total shareholders' equity		**112 071**	93 406	**84 911**	76 544
Non-current liabilities		**46 967**	45 928	**39 304**	37 823
Preference shares	12	**500**	500	**500**	500
Loans from subsidiaries	5	**–**	–	**3 754**	3 712
Deferred tax liability	7	**3 067**	2 386	**–**	–
Long-term loans	16	**33 132**	34 705	**25 000**	25 274
Operating lease accrual	17	**10 268**	8 337	**10 050**	8 337
Current liabilities		**209 551**	270 581	**187 810**	253 485
Short-term portion of long-term loans	16	**4 040**	4 351	**242**	510
Operating lease accrual	17	**215**	68	**156**	60
Accounts payable	18	**197 488**	257 527	**180 989**	245 246
Provisions	19	**6 646**	7 880	**6 382**	7 655
Taxation		**1 121**	741	**–**	–
Preference dividends		**41**	14	**41**	14
Total equity and liabilities		**368 589**	409 915	**312 025**	367 852

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 September 2009

		GROUP		COMPANY	
		2009	2008	**2009**	2008
	Notes	**R000**	R000	**R000**	R000
Revenue	20	**406 509**	397 603	**305 898**	338 370
Turnover	20	**403 949**	389 939	**304 145**	331 170
Cost of sales	21	**(76 238)**	(47 705)	**(20 849)**	(19 385)
Gross profit		**327 711**	342 234	**283 296**	311 785
Net operating expenses	21	**(305 144)**	(325 524)	**(274 108)**	(306 609)
Operating profit	21	**22 566**	16 710	**9 188**	5 176
Finance income	22	**2 560**	7 664	**1 753**	7 200
Finance expenses	22	**(417)**	(4 637)	**(5)**	(3 659)
Preference dividends paid		**(55)**	(55)	**(55)**	(55)
Share of profits/(losses) of associates	6.1	**(771)**	342	**–**	–
Share of profits of joint ventures	6.2	**183**	710	**–**	–
Profit before tax		**24 066**	20 734	**10 881**	8 662
Tax expense	24	**(6 115)**	(4 424)	**(2 514)**	(2 013)
Profit for the year		**17 951**	16 310	**8 367**	6 649
Other comprehensive income:					
Exchange differences on translating foreign operations		**(150)**	(360)		
Revaluation of land and buildings		**864**	–		
Total comprehensive income for the year		**18 665**	15 950		
Profit attributable to:					
equity holders		**17 951**	16 310	**8 367**	6 649
non-controlling interest		**–**	–	**–**	–
Total comprehensive income attributable to:					
equity holders		**18 665**	15 950		
non-controlling interest		**–**	–		
Earnings per share (cents)	25	**2.50**	2.27		
Diluted earnings per share (cents)		**2.50**	2.27		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September 2009

	Notes	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
Ordinary share capital	12				
Balance at the beginning of the year		**7 184**	7 184	**7 184**	7 184
Balance at the end of the year		**7 184**	7 184	**7 184**	7 184
Share premium	12				
Balance at the beginning of the year		**59 905**	59 905	**59 905**	59 905
Balance at the end of the year		**59 905**	59 905	**59 905**	59 905
Share capital reduction reserve fund	13				
Balance at the beginning of the year		**20 876**	20 876	**20 876**	20 876
Balance at the end of the year		**20 876**	20 876	**20 876**	20 876
Capital redemption reserve fund	14				
Balance at the beginning of the year		**4**	4	**4**	4
Balance at the end of the year		**4**	4	**4**	4
Foreign currency translation reserve	15				
Balance at the beginning of the year		**(1 423)**	(1 063)	**–**	–
Reserve on translation of foreign subsidiary		**(150)**	(360)	**–**	–
Balance at the end of the year		**(1 573)**	(1 423)	**–**	–
Revaluation reserve					
Balance at the beginning of the year		**–**	–	**–**	–
Revaluation of land and buildings		**864**	–	**–**	–
Balance at the end of the year		**864**	–	**–**	–
Accumulated profit/(loss)					
Balance at the beginning of the year		**6 309**	(3 121)	**(11 971)**	(11 436)
Gain realised on acquisition of additional interest in subsidiary		**–**	304	**–**	–
Total comprehensive income for the year		**17 951**	16 310	**8 367**	6 649
Profit attributable to non-controlling interest		**–**	–	**–**	–
Ordinary dividend paid		**–**	(7 184)	**–**	(7 184)
Balance at the end of the year		**24 260**	6 309	**(3 604)**	(11 971)
Ordinary shareholders' equity		**111 520**	92 855	**84 365**	75 998
Non-controlling interest					
Balance at the beginning of the year		**5**	5		
Profit attributable to non-controlling interest for the year		**–**	–		
Balance at the end of the year		**5**	5		
Total income and expense for the year					
Profit for the year		**17 951**	16 310		
Attributable to equity holders of company		**17 951**	16 310		
Attributable to non-controlling interest		**–**	–		
Total other comprehensive income for the year		**714**	(360)		
		18 665	15 950		

STATEMENTS OF CASH FLOWS

for the year ended 30 September 2009

		GROUP		COMPANY	
	Notes	**2009 R000**	2008 R000	**2009 R000**	2008 R000
Cash flow from operating activities					
Cash receipts from customers		**406 509**	402 795	**305 898**	342 528
Cash paid to suppliers and employees		**(408 221)**	(359 294)	**(322 982)**	(311 526)
Cash generated by operations	26.1	**(1 712)**	43 501	**(17 084)**	31 002
Finance income		**2 560**	7 664	**1 753**	7 200
Finance expenses		**(417)**	(4 637)	**(5)**	(3 659)
Preference dividends paid	26.2	**(27)**	(55)	**(27)**	(55)
Ordinary dividends paid		**–**	(7 184)	**–**	(7 184)
Normal taxation paid	26.3	**(4 486)**	(11 506)	**(1 888)**	(10 552)
Secondary taxation on companies paid	26.3	**(6)**	(724)	**(6)**	(724)
Net cash inflow/(outflow) from operating activities		**(4 088)**	27 059	**(17 257)**	16 028
Cash flow from investing activities					
Additions to property, plant and equipment	1	**(5 481)**	(13 522)	**(2 701)**	(12 205)
Additions to intangible assets	4	**(3 721)**	(6 620)	**(3 721)**	(6 620)
Proceeds on disposal of property, plant and equipment		**1 677**	7 044	**1 331**	4 817
Acquisition of business	32	**(17 537)**	–	**–**	–
Increase in investment in associate companies		**(2 605)**	–	**(2 605)**	–
Investment in subsidiary companies		**–**	–	**–**	(115)
Loans to subsidiary companies		**–**	–	**(18 631)**	–
Loans from subsidiary companies		**–**	–	**42**	372
Net cash inflow/(outflow) from investing activities		**(27 667)**	(13 098)	**(26 285)**	(13 751)
Cash flow from financing activities					
Long-term loans raised / (repaid)		**(1 884)**	(5 960)	**(542)**	(706)
Net cash inflow/(outflow) from financing activities		**(1 884)**	(5 960)	**(542)**	(706)
Net (decrease)/increase in cash and cash equivalents		**(33 639)**	8 001	**(44 084)**	1 571
Cash and cash equivalents at beginning of year		**130 169**	122 168	**110 043**	108 472
Cash and cash equivalents at end of year	11	**96 530**	130 169	**65 959**	110 043

1. PROPERTY, PLANT AND EQUIPMENT – current year

Reconciliation of movement of property, plant and equipment for the year ended 30 September 2009

	Land and buildings R000	Leasehold improve-ments R000	Plant and machinery R000	Motor vehicles R000	Computer equip-ment R000	Furniture and fittings R000	Total R000
GROUP							
Cost							
At beginning of the year	2 108	10 903	5 803	51 709	23 848	17 987	112 358
Additions	–	795	179	3 315	409	783	5 481
Disposals	–	(1 007)	(1 230)	(2 092)	(6 891)	(1 485)	(12 705)
Revaluations	864	–	–	–	–	–	864
Foreign exchange translation	–	–	–	–	(12)	(17)	(29)
At end of the year	2 972	10 691	4 752	52 932	17 354	17 268	105 969
Accumulated depreciation							
At beginning of the year	17	4 323	3 109	16 928	18 811	8 626	51 814
Charge for the year	17	1 512	755	6 358	2 356	2 232	13 230
Disposals	–	(979)	(1 227)	(1 387)	(6 864)	(1 285)	(11 742)
Foreign exchange translation	–	–	–	–	(15)	(13)	(28)
At end of the year	34	4 856	2 637	21 899	14 288	9 560	53 274
Net book value 30 September 2009	2 938	5 835	2 115	31 033	3 066	7 708	52 695
The net book value of assets encumbered under instalment sale agreements is: R16 947 364 (2008: R18 927 456).							
COMPANY							
Cost							
At beginning of the year	272	10 299	5 515	11 734	23 575	17 672	69 067
Additions	–	795	179	807	298	622	2 701
Disposals	–	(1 007)	(1 224)	(763)	(6 875)	(1 485)	(11 354)
At end of the year	272	10 087	4 470	11 778	16 998	16 809	60 414
Accumulated depreciation							
At beginning of the year	17	3 731	3 014	4 512	18 638	8 405	38 317
Charge for the year	17	1 500	710	1 388	2 264	2 178	8 057
Disposals	–	(979)	(1 224)	(395)	(6 850)	(1 285)	(10 733)
At end of the year	34	4 252	2 500	5 505	14 052	9 298	35 641
Net book value 30 September 2009	238	5 835	1 970	6 273	2 946	7 511	24 773
The net book value of assets encumbered under instalment sale agreements is: R1 165 634 (2008: R1 341 932).							

1.1 The foreign exchange translation has resulted from the translation of a foreign subsidiary into SA Rand.

1.2 Freehold land comprises erven 781 and 782 in Hazyview-Vakansiedorp in extent 1 740 square metres and erf 342 in St Lucia (Extension Number 2) in extent 1 300 square metres. During the current year, the land above has been remeasured to fair market value by Mr L de Lange, member of Remax Heritage St Lucia, based upon comparable property sales.

1.3 All disposals of assets result from the sale, scrapping and replacement thereof in the normal course of business.

1. PROPERTY, PLANT AND EQUIPMENT (continued) – prior year

Reconciliation of movement of property, plant and equipment for the year ended 30 September 2008

	Land and buildings R000	Leasehold improvements R000	Plant and machinery R000	Motor vehicles R000	Computer equipment R000	Furniture and fittings R000	Total R000
GROUP							
Cost							
At beginning of the year	2 071	8 747	3 556	51 717	21 127	15 128	102 346
Additions	37	2 452	2 248	3 266	2 694	2 825	13 522
Disposals	–	(296)	(1)	(3 274)	–	(6)	(3 577)
Foreign exchange translation	–	–	–	–	27	40	67
At end of the year	2 108	10 903	5 803	51 709	23 848	17 987	112 358
Accumulated depreciation							
At beginning of the year	–	2 952	2 564	10 648	15 862	6 444	38 470
Charge for the year	17	1 392	546	7 034	2 926	2 155	14 070
Disposals	–	(21)	(1)	(754)	–	(5)	(781)
Foreign exchange translation	–	–	–	–	23	32	55
At end of the year	17	4 323	3 109	16 928	18 811	8 626	51 814
Net book value 30 September 2008	2 091	6 580	2 694	34 781	5 037	9 361	60 544
COMPANY							
Cost							
At beginning of the year	235	8 120	3 419	10 530	20 913	14 882	58 099
Additions	37	2 452	2 096	2 166	2 662	2 792	12 205
Disposals	–	(273)	–	(962)	–	(2)	(1 237)
At end of the year	272	10 299	5 515	11 734	23 575	17 672	69 067
Accumulated depreciation							
At beginning of the year	–	2 463	2 505	2 810	15 761	6 289	29 828
Charge for the year	17	1 268	509	2 027	2 877	2 117	8 815
Disposals	–	–	–	(325)	–	(1)	(326)
At end of the year	17	3 731	3 014	4 512	18 638	8 405	38 317
Net book value 30 September 2008	255	6 568	2 501	7 222	4 937	9 267	30 750

	GROUP		COMPANY	
	2009 R000	2008 R000	**2009 R000**	2008 R000
2. INVESTMENT PROPERTIES				
2.1 Investment properties				
Open market value at beginning of the year	**–**	331	**1 836**	1 836
Fair market value adjustment	**5 000**	7 426	**5 864**	6 226
Transfer to non-current assets held for sale	**–**	(7 757)	**–**	(6 226)
Open market value at end of the year	**5 000**	–	**7 700**	1 836
During the current year, investment properties have been remeasured to fair market value. The R5 million revaluation relates to a section of land that has no commercial value other than if expropriated. Expropriation has become highly probable in terms of the planned roads development in the PWV5 area. Investment properties were revalued in September 2009 by Mr TD Cullinan, MIV (SA) Registered Valuer, SA Council of Valuers and Remax Heritage (refer note 1.2).				
2.2 Non-current assets held for sale				
Investment properties at carrying value				
Open market value at beginning of the year	**7 757**	–	**6 557**	331
Transfer from investment properties	**–**	7 757	**–**	6 226
Fair market value adjustment	**(589)**	–	**(589)**	–
Disposals during the period	**(617)**	–	**(617)**	–
Open market value at end of the year	**6 551**	7 757	**5 351**	6 557
Non-current assets held for sale consist of investment properties where management's intention is to sell these properties held at year-end. As the group has more than five items of land and buildings, a register is maintained in terms of paragraph 22(3) of Schedule 4 of the Companies Act. The register is available for inspection at the registered office of Cullinan Holdings Limited.				
3. GOODWILL				
Carrying amount at beginning of the year	**24 070**	23 721	**10 805**	10 805
Arising from business combinations during the year	**9 673**	–	**–**	–
Foreign exchange adjustment	**(150)**	349	**–**	–
Carrying amount at end of the year	**33 593**	24 070	**10 805**	10 805
4. INTANGIBLE ASSETS				
Computer software				
Cost at beginning of the year	**36 992**	30 371	**36 992**	30 371
Additions	**3 721**	6 620	**3 721**	6 620
Disposals	**(1 093)**	–	**(1 093)**	–
Cost at end of the year	**39 620**	36 992	**39 620**	36 992
Accumulated amortisation at beginning of the year	**9 288**	4 842	**9 288**	4 842
Charge for the year	**5 370**	4 445	**5 370**	4 445
Disposals	**(1 093)**	–	**(1 093)**	–
Accumulated amortisation at end of the year	**13 565**	9 288	**13 565**	9 288
Net carrying value	**26 055**	27 705	**26 055**	27 705

Disposals relate to software which is no longer used.

5. INVESTMENT IN SUBSIDIARY COMPANIES

Directly held

	Amount of capital	Percentage held directly by holding company		Carrying amount of shares		Amounts owing by/(to) subsidiaries	
		2009 %	2008 %	**2009 R000**	2008 R000	**2009 R000**	2008 R000
Cullinan Properties (Pty) Limited	R316 734	**100**	100	**317**	317	**(3 754)**	(3 712)
Motor en Industriële Eiendomme (Edms) Beperk	R2	**100**	100	*	*	**–**	–
P & R Travel (Pty) Limited	R100	**100**	100	**115**	115	**–**	–
Thompsons Indaba Safari KZN (Pty) Limited	R100	**75**	75	*	*	**–**	–
Thompsons Gateway PTE Limited – Singapore	$100 000	**70**	70	**304**	304	**–**	–
Hylton Ross Tours (Pty) Limited	R100	**100**	100	**32 019**	32 019	**–**	–
Central Boating (Pty) Limited	R10	**100**	–	*	–	**18 631**	–
				32 755	32 755	**14 877**	(3 712)

Note 1: All subsidiaries, other than Thompsons Gateway PTE Limited, are incorporated in South Africa.

Note 2: The loans from subsidiaries are interest free, unsecured and have no fixed terms of repayment. No payments are expected in the next twelve months.

* *Signifies an amount less than R1 000.*

6. INVESTMENT IN ASSOCIATE COMPANIES AND JOINT VENTURE

6.1 Associate companies

The group holds a 50% interest in Paddle Safaries (Pvt) Limited which is situated in Botswana and provides touring activities including transfers and day tours.

Paddle Safaris holds a 90% interest in the Zambian Touring Company (Pvt) Limited which is situated in Zambia and provides touring activities including transfers and day tours. The group therefore holds a 45% interest in the Zambian Touring Company through Paddle Safaris.

The following table illustrates summarised financial information of the group's investment in the Zambian Touring Company and Paddle Safaris:

	2009 R000	2008 R000
Share of the associates' balance sheet:		
Current assets	**4 797**	7 584
Non-current assets	**2 288**	2 502
Current liabilities	**(3 167)**	(1 315)
Non-current liabilities	**(1 149)**	(7 468)
Net assets	**2 769**	1 303
Carrying amount of the investment	**3 053**	1 220

6.2 Joint venture

The company has a 50% interest in Underneath Trading (Pvt) Limited, a jointly controlled entity situated in Zimbabwe, which provides touring activities, including day tours and transfers.

The following table shows summarised financial information of the group's investment in this joint venture:

	2009 R000	2008 R000
Share of the joint venture balance sheet:		
Current assets	**1 756**	2 468
Non-current assets	**643**	530
Current liabilities	**(1 262)**	(2 769)
Non-current liabilities	**(197)**	(93)
Net assets	**940**	136
Carrying amount of the investment	**1 241**	1 058

for the year ended 30 September 2009 (continued)

	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
7. DEFERRED TAX				
Deferred tax asset	**1 227**	3 608	**1 179**	3 609
Deferred tax liability	**(3 067)**	(2 386)	**–**	–
Net deferred tax (liability)/asset at end of the year	**(1 840)**	1 222	**1 179**	3 609
Net deferred tax asset at beginning of the year	**1 222**	1 301	**3 609**	3 030
Deferred tax expense/(income) related to the origination and reversal of temporary differences	**3 062**	79	**2 430**	(579)
Deferred tax (liability)/asset comprises				
Assessed losses	**335**	–	**290**	–
Property, plant and equipment	**(7 156)**	(3 315)	**(3 787)**	(489)
Provision for bad debts	**664**	955	**632**	722
Other provisions	**4 317**	3 582	**4 044**	3 376
	(1 840)	1 222	**1 179**	3 609
8. INVENTORIES				
Merchandise	**17 087**	10 695	**8 854**	10 678
Provision for obsolescence	**(350)**	(771)	**(200)**	(771)
	16 737	9 925	**8 654**	9 907
Inventory expensed during the year	**51 650**	19 385	**20 849**	19 385
9. ACCOUNTS RECEIVABLE				
Financial instruments				
Trade receivables	**102 270**	115 626	**84 347**	104 272
Group receivables	**–**	–	**7 935**	5 214
Amounts owing by associates	**381**	2 974	**381**	2 974
Future travel payments	**–**	5 238	**–**	5 238
Hotel prebuy arrangement	**2 076**	2 311	**2 076**	2 311
Sundry receivables	**7 647**	8 229	**2 638**	4 426
Deposits	**3 516**	–	**423**	–
Payments in advance	**4 476**	5 588	**4 194**	5 575
	120 366	139 966	**101 994**	130 010
Non-financial instruments				
VAT	**2 079**	3 003	**2 079**	2 998
	122 445	142 969	**104 073**	133 008

Trade receivables are non-interest bearing and terms range from 30 to 45 days.

Other receivables are non-interest bearing and terms range from 30 – 365 days.

	GROUP 2009 R000	GROUP 2008 R000	COMPANY 2009 R000	COMPANY 2008 R000
10. OTHER FINANCIAL ASSETS				
Other financial assets	**754**	–	**798**	–

Other financial assets arise out of the revaluation of open forward exchange contracts at year-end.

		GROUP		COMPANY	
		2009	2008	**2009**	2008
		R000	R000	**R000**	R000
11.	**CASH**				
	Cash on call	**96 530**	130 169	**65 959**	110 043
12.	**SHARE CAPITAL**				
	Authorised				
	Ordinary share capital				
	3 412 375 874 ordinary shares of 1 cent each	**34 125**	34 124	**34 124**	34 124
	Preference share capital				
	500 000 5.5% cumulative preference shares of R2 each	**1 000**	1 000	**1 000**	1 000
	42 604 574 redeemable preference shares of 0.01 cent each	**4**	4	**4**	4
	100 000 variable rate redeemable cumulative preference shares of 1 cent each	**1**	1	**1**	1
	100 000 convertible variable rate cumulative redeemable preference shares of R85 each	**8 500**	8 500	**8 500**	8 500
	25 000 cumulative redeemable convertible preference shares of 1 cent each	**–**	–	**–**	–
		9 505	9 505	**9 505**	9 505
	Issued				
	Ordinary share capital				
	718 355 204 (2008: 718 355 204) ordinary shares of 1 cent each	**7 184**	7 184	**7 184**	7 184
	Share premium	**59 905**	59 905	**59 905**	59 905
		67 089	67 089	**67 089**	67 089
	Unissued ordinary shares				
	(a) 57 123 334 ordinary shares of 1 cent each (2008: 57 123 334 ordinary shares of 1 cent each) remain reserved for issue and allotment to participants in terms of the Cullinan Holdings Limited Employees' Share Purchase and Option Scheme.				
	(b) 2 694 020 670 ordinary shares of 1 cent each are under the control of the directors until the next annual general meeting of the company.				
	Preference share capital	**1 000**	1 000	**1 000**	1 000
	Share premium	**46**	46	**46**	46
	Less: included in non-current liabilities	**(500)**	(500)	**(500)**	(500)
		546	546	**546**	546

500 000 5.5% cumulative preference shares of R2 each.

The cumulative preference shareholders are entitled to the preference share only in the event of a winding up.

12.1 Capital management

The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The group manages its capital structure and makes adjustments to it, in light of changing economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The group's capital consists of its ordinary shares and its preference shares for capital management purposes.

Management believes the group has met its capital management objectives for the year under review.

	GROUP		COMPANY	
	2009 R000	2008 R000	**2009 R000**	2008 R000
13. SHARE CAPITAL REDUCTION RESERVE FUND				
In terms of section 84 of the Companies Act, an Order of Court was made in 1997 to reduce the issued ordinary share capital of the company. The existing shares were reduced from ordinary shares with a par value of 50 cents each to ordinary shares of 1 cent each. The remaining capital of 49 cents per share was transferred to a non-distributable reserve to be treated as share premium. No distribution to shareholders resulted from this reduction in share capital.	**20 876**	20 876	**20 876**	20 876
14. CAPITAL REDEMPTION RESERVE FUND				
The capital redemption reserve fund was created on 1 June 1998 as a result of the redemption of redeemable preference shares of 0.01 cent each.	**4**	4	**4**	4
15. FOREIGN CURRENCY TRANSLATION RESERVE				
The foreign currency translation reserve reflects the differences on the translation of foreign subsidiary into the reporting currency.	**(1 573)**	(1 423)	**–**	–
16. LONG-TERM LOANS				
Term loan	**25 000**	25 000	**25 000**	25 000
Instalment sale liabilities	**12 172**	14 056	**242**	785
	37 172	39 056	**25 242**	25 785
Long-term portion				
– Term loan	**25 000**	25 000	**25 000**	25 000
– Instalment sale liabilities	**8 132**	9 705	**–**	274
	33 132	34 705	**25 000**	25 274
Short-term portion				
–Instalment sale liabilities	**4 040**	4 351	**242**	510
	4 040	4 351	**242**	510

The term loan is a 366 day revolving facility of R25 million with the Standard Bank of South Africa Limited. The loan bears interest at prime. The instalment sale agreements are with local banks for the purpose of financing new vehicles. The loans are repayable over five years and bear interest at prime less 1.5% – 2.1%. The vehicles financed by these loans are encumbered, as referred to in note 1, until the full repayment of the loan.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
17. OPERATING LEASE ACCRUAL				
The operating lease accrual relates to the straight-lining of operating leases over the term of the leases.				
Long-term portion	**10 268**	8 337	**10 050**	8 337
Short-term portion	**215**	68	**156**	60
	10 483	8 405	**10 206**	8 396
Operating lease accruals relate to rentals of office and retail space and lease terms vary between three and ten years. Escalations vary between 0 and 11%.				
18. ACCOUNTS PAYABLE				
Trade creditors	**173 943**	229 908	**159 740**	221 888
Accruals	**23 545**	27 619	**21 249**	23 358
	197 488	257 527	**180 989**	245 246
Trade creditors and accruals are non-interest bearing and terms range up to 90 days.				
19. PROVISIONS				
Leave pay				
Balance at beginning of the year	**7 880**	7 278	**7 655**	7 063
Transferred to legal and medical provisions	**(1 764)**	–	**(1 764)**	–
Unused amounts reversed during the period	**–**	(279)	**–**	(279)
Arising during the year	**262**	909	**169**	899
Utilised during the year	**(1 326)**	(28)	**(1 272)**	(28)
Closing balance at end of the year	**5 052**	7 880	**4 788**	7 655
Leave pay is expected to be utilised in an 18 month cycle.				
Legal and medical				
Balance at beginning of the year	**1 764**	–	**1 764**	–
Unused amounts reversed during the period	**–**	–	**–**	–
Arising during the year	**767**	–	**767**	–
Utilised during the year	**(937)**	–	**(937)**	–
Closing balance at end of the year	**1 594**	–	**1 594**	–
	6 646	7 880	**6 382**	7 655
20. REVENUE				
Turnover				
– Commissions	**332 454**	360 797	**273 281**	302 028
– Sale of goods	**71 495**	29 142	**30 864**	29 142
	403 949	389 939	**304 145**	331 170
Finance income	**2 560**	7 664	**1 753**	7 200
	406 509	397 603	**305 898**	338 370

		GROUP		COMPANY	
		2009	2008	**2009**	2008
		R000	R000	**R000**	R000
21.	**OPERATING PROFIT**				
	Turnover	**403 949**	389 939	**304 145**	331 170
	Cost of sales	**(76 238)**	(47 705)	**(20 849)**	(19 385)
	Gross profit	**327 711**	342 234	**283 296**	311 785
	Sales and marketing expenses	**(188 529)**	(204 670)	**(181 112)**	(206 497)
	Administration expenses	**(65 951)**	(82 542)	**(61 592)**	(80 160)
	Operating expenses	**(50 664)**	(38 312)	**(31 404)**	(19 952)
	Operating profit	**22 566**	16 710	**9 188**	5 176
	Disclosable items included in operating income:				
	Auditors' remuneration				
	– Audit fees	**1 299**	1 376	**1 060**	1 098
	– Other fees	**16**	8	**–**	–
		1 315	1 383	**1 060**	1 098
	Depreciation and amortisation				
	– Buildings and leasehold improvements	**1 529**	1 409	**1 517**	1 285
	– Plant, vehicles and equipment	**11 700**	12 661	**6 540**	7 530
	– Intangible assets	**5 370**	4 445	**5 370**	4 445
		18 599	18 515	**13 427**	13 260
	Profit/(loss) on disposal of assets	**99**	4 247	**93**	3 905
	Rentals in respect of operating leases				
	– Land and buildings	**25 760**	23 532	**23 177**	22 299
	– Plant, vehicles and equipment	**15 544**	14 224	**12 874**	10 989
		41 304	37 756	**36 051**	33 288
	Rentals received on investment properties	**–**	–	**43**	40
	Foreign exchange gains/(losses)	**25 366**	16 440	**23 079**	16 251
	Staff costs				
	– Short-term	**166 156**	174 671	**145 499**	156 833
	– Post-employment (Provident Fund)	**2 866**	2 951	**2 635**	2 797
	Fair value adjustment				
	– Investment property	**4 411**	7 426	**5 275**	6 226
	Consulting fees paid	**216**	412	**129**	402
	Management fees paid/(recovered)	**73**	123	**(1 326)**	(414)
	Professional fees paid	**2 723**	5 169	**2 697**	5 157
22.	**FINANCE INCOME AND EXPENSE**				
	Finance income				
	– Bank	**2 365**	7 664	**1 558**	7 200
	– Other	**195**	–	**195**	–
		2 560	7 664	**1 753**	7 200
	Finance expense				
	– Bank	**5**	3 658	**5**	3 659
	– Other	**195**	–	**–**	–
	– Instalment sale liability	**217**	979	**–**	–
		417	4 637	**5**	3 659

23. DIRECTORS' EMOLUMENTS

Executive directors R000	Total	AN Viljoen	LA Pampallis	DK Standage
2009				
Management fees	**–**	**1 153**	**–**	**–**
Basic salary	**2 287**	**–**	**1 747**	**540**
Retirement fund contributions	**45**	**–**	**45**	**–**
	2 332	**1 153**	**1 792**	**540**
2008				
Management fees	2 353	2 353	–	–
Basic salary	1 688	–	1 688	–
Retirement fund contributions	42	–	42	–
	4 083	2 353	1 730	–

Non-executive directors R000	Total	M Tollman
2009		
Fees for services as a director	**364**	**364**
	364	**364**
2008		
Fees for services as a director	360	360
	360	360

MA Ness, DD Hosking, VET O'Hana and GB Tollman did not earn emoluments during the year.

All directors' emoluments are paid by the company.

	GROUP		COMPANY	
	2009 R000	2008 R000	**2009 R000**	2008 R000
24. TAXATION				
Current South African normal taxation	**3 047**	3 621	**78**	1 869
Secondary taxation on companies	**6**	724	**6**	724
	3 053	4 345	**84**	2 594
Deferred taxation	**3 062**	79	**2 430**	(579)
	6 115	4 424	**2 514**	2 013
The rate of taxation is reconciled as follows:	%	%	%	%
Standard corporate taxation rate	**28.00**	28.00	**28.00**	28.00
Disallowable expenditure	**0.84**	0.90	**1.76**	7.90
Secondary taxation on companies	**0.02**	3.50	**0.05**	8.40
Exempt income	**(3.06)**	(10.90)	**(5.97)**	(19.90)
Assessed loss	**(0.39)**	–	**(0.75)**	–
Deferred tax rate adjustment	**–**	(0.16)	**–**	(1.15)
Effective rate	**25.41**	21.34	**23.10**	23.24

	GROUP		COMPANY	
	2009 R000	2008 R000	**2009 R000**	2008 R000
25. EARNINGS PER SHARE				
Reconciliation between attributable earnings and headline earnings:				
Earnings attributable to ordinary shareholders	**17 951**	16 310		
Adjustment to fair value of investment property	**(4 411)**	(7 426)		
– tax effect	**618**	1 040		
Share of loss/(profit) of associates	**771**	(342)		
Share of profit of joint venture	**(183)**	(710)		
(Profits)/losses on disposal of property, plant and equipment	**(99)**	(4 247)		
– tax effect	**(11)**	347		
Headline earnings	**14 636**	4 972		
The calculation of attributable earnings per ordinary share, diluted earnings per ordinary share and headline earnings per ordinary share is based upon the weighted average number of shares in issue during the year of 718 355 204 (2008: 718 355 204).				
Earnings per share (cents)	**2.50**	2.27		
Diluted earnings per share (cents)	**2.50**	2.27		
Headline earnings per share (cents)	**2.04**	0.69		
Diluted headline earnings per share (cents)	**2.04**	0.69		
Dividends per share (cents)	**–**	0.01		
26. NOTES TO STATEMENT OF CASH FLOWS				
26.1 Cash generated/(utilised) by operations				
Operating income	**22 566**	16 710	**9 188**	5 176
Adjustments for:				
– Unrealised foreign exchange (profit)/losses	**(748)**	(420)	**(798)**	–
– Fair market adjustment to investment properties	**(4 411)**	(7 426)	**(5 275)**	(6 226)
– Depreciation	**18 599**	18 515	**13 427**	13 260
– (Profit)/loss on disposal of property, plant and equipment	**(99)**	(4 247)	**(93)**	(3 905)
– Increase/(decrease) in operating lease provision	**2 078**	2 606	**1 809**	2 700
– Increase/(decrease) in provisions	**(1 233)**	602	**(1 273)**	592
Cash generated before working capital changes	**36 752**	26 340	**16 985**	11 597
Decrease/(increase) in inventories	**1 051**	83	**1 253**	101
Decrease/(increase) in accounts receivable	**20 524**	12 856	**28 935**	11 358
(Decrease)/increase in accounts payable	**(60 039)**	4 222	**(64 257)**	7 946
Cash generated by operations	**(1 712)**	43 501	**(17 084)**	31 002
26.2 Preference dividends paid				
Amount outstanding at beginning of the year	**(14)**	(14)	**(14)**	(14)
Income statement charge	**(55)**	(55)	**(55)**	(55)
Amount outstanding at end of the year	**41**	14	**41**	14
Preference dividends paid	**(27)**	(55)	**(27)**	(55)
26.3 Taxation paid				
Amount outstanding at beginning of the year	**149**	(7 736)	**877**	(7 805)
Income statement charge (note 24)	**(3 053)**	(4 345)	**(84)**	(2 594)
Amount outstanding at end of the year	**(1 588)**	(149)	**(2 687)**	(877)
Taxation paid	**(4 492)**	(12 230)	**(1 894)**	(11 276)
Normal taxation	**(4 486)**	(11 506)	**(1 888)**	(10 552)
Secondary taxation on companies	**(6)**	(724)	**(6)**	(724)

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
27. COMMITMENTS AND GUARANTEES				
27.1 Commitments in respect of capital expenditure				
Contracted	**6 217**	2 554	**260**	1 307
Not contracted	**678**	–	**678**	–
	6 895	2 554	**938**	1 307
These commitments will be settled with cash generated from normal operating activities or financed out of long-term borrowings.				
27.2 Operating lease commitments				
Within 1 year	**22 117**	18 777	**20 050**	18 689
2 – 5 years	**81 159**	61 064	**79 235**	61 064
> 5 years	**10 068**	40 057	**10 068**	40 057
27.3 Finance lease commitments				
Within 1 year	**4 040**	4 350	**242**	510
2 – 5 years	**8 132**	9 705	**–**	274
> 5 years	**–**	–	**–**	–
27.4 Guarantees				
Bank guarantees in favour of creditors	**7 089**	8 000	**7 089**	8 000

The group provides guarantees to airlines, customs, parks boards and other suppliers.

28. GROUP RETIREMENT BENEFITS

It is the Cullinan group's policy to provide retirement benefits for certain employees by payments to an independently managed provident fund. The fund, governed by the Pension Funds Act of 1956, incorporates retirement benefits, disability benefits and life cover. Contributions to the fund are charged against profits as the service is rendered.

In 1999, the company received R3.85 million from surplus distribution of one of its pension funds. During the same period, one of its then subsidiaries, Midmacor Industries Limited, received a surplus distribution of R38 million from the same pension fund. The Financial Services Board has investigated these transactions and the company has co-operated fully in this regard and will continue to do so. These transactions form the subject matter of the legal action referred to in the penultimate paragraph of this note.

During March and April 2002, and as part of a larger transaction in terms of which Midmacor Industries Limited and associated companies were sold by the company, an indemnity was given to the company by various parties in relation to the 1999 pension fund distributions. At the same time a transaction was concluded which resulted in a change of control of the company. The new controlling shareholder, who had no previous interest in the company or involvement with the pension funds, secured indemnity referred to above as part of the sale transaction. These indemnities will be relied upon in the event of a claim being successful against the company.

Legal action has been instituted by the liquidator of the Powerpack Pension Fund (in liquidation) against the company and various other defendants in relation to the alleged unlawful withdrawal during the period 1998 to September 1999 of pension fund surpluses in respect of the pension fund established by the company. The claim is for an amount of approximately R58 million alternatively R42 million plus interest thereon. Based on legal advice obtained, the company has a sound defence to the claim, which will be defended. In addition, the company intends to join certain other persons in the proceedings with a view to the company obtaining indemnification from them, *inter alia*, in terms of the written indemnity agreement referred to above, in the event of any liability on the part of the company being established in respect of the claim.

No provision has been made other than for legal costs to date.

	GROUP		COMPANY	
	2009	2008	**2009**	2008
	R000	R000	**R000**	R000
Contributions recognised as expense during the year	**2 866**	2 951	**2 635**	2 797

29. FINANCIAL INSTRUMENTS

The accounting policies for financial instruments have been applied to the line items below:

Assets as per balance sheet	At fair value through profit/loss R000	Available for sale R000	Loans and receivables R000	Non-financial instrument R000	Total R000
GROUP					
2009					
Accounts receivable	**–**	**–**	**120 366**	**2 079**	**122 445**
Other financial assets	**754**	**–**	**–**	**–**	**754**
Cash resources	**–**	**–**	**96 530**	**–**	**96 530**
Total	**754**	**–**	**216 896**	**2 079**	**219 729**
2008					
Accounts receivable	–	–	139 966	3 003	142 969
Other financial assets	–	–	–	–	–
Cash resources	–	–	130 169	–	130 169
Total	–	–	270 135	3 003	273 138

Assets as per balance sheet	At fair value through profit/loss R000	Available for sale R000	Loans and receivables R000	Non-financial instrument R000	Total R000
COMPANY					
2009					
Loans to subsidiaries	**–**	**–**	**18 631**	**–**	**18 631**
Accounts receivable	**–**	**–**	**101 994**	**2 079**	**104 073**
Other financial assets	**798**	**–**	**–**	**–**	**798**
Investments in subsidiaries, associates and joint ventures	**–**	**35 360**	**–**	**–**	**35 360**
Cash resources	**–**	**–**	**65 959**	**–**	**65 959**
Total	**798**	**35 360**	**186 584**	**2 079**	**224 821**
2008					
Accounts receivable	–	–	130 010	2 998	133 008
Other financial assets	–	–	–	–	–
Investments in subsidiaries, associates and joint ventures	–	32 755	–	–	32 755
Cash resources	–	–	110 043	–	110 043
Total	–	32 755	240 053	2 998	275 806

29. FINANCIAL INSTRUMENTS (continued)

Liabilities as per balance sheet	Other financial liabilities R000	Non-financial instrument R000	Total R000
GROUP			
2009			
Preference shares	**500**	**–**	**500**
Long-term loans	**37 172**	**–**	**37 172**
Accounts payable	**197 488**	**–**	**197 488**
Preference dividends	**41**	**–**	**41**
Total	**235 201**	**–**	**235 201**
2008			
Preference shares	500	–	500
Long-term loans	39 057	–	39 057
Accounts payable	257 527	–	257 527
Preference dividends	14	–	14
Total	297 097	–	297 097

Liabilities as per balance sheet	Other financial liabilities R000	Non-financial instrument R000	Total R000
COMPANY			
2009			
Preference shares	**500**	**–**	**500**
Loans from subsidiaries	**3 754**	**–**	**3 754**
Long-term loans	**25 242**	**–**	**25 242**
Accounts payable	**180 989**	**–**	**180 989**
Preference dividends	**41**	**–**	**41**
Total	**210 526**	**–**	**210 526**
2008			
Preference shares	500	–	500
Loans from subsidiaries	3 712	–	3 712
Long-term loans	25 784	–	25 784
Accounts payable	245 246	–	245 246
Preference dividends	14	–	14
Total	275 255	–	275 255

Financial risk management

The group is exposed to foreign currency risk, interest rate risk, credit risk and liquidity risk through its operations. The exposure to these risks and management thereof is discussed below. There have been no changes to the group's objectives, policies and processes for managing the risk from the prior year, or to methods used to measure the risk.

29. FINANCIAL INSTRUMENTS (continued)

29.1 Foreign currency management

The group is exposed to foreign currency risk through its transactions in foreign currencies. The group manages this through contracting to buy or sell foreign currencies at forward rates which it believes will hedge its risk arising from changes in foreign currency exchange rates. Details of hedged and unhedged exposures are as follows:

29.1.1 *Foreign currency assets and liabilities at year-end*

Included in the group and company balance sheet at year-end are the following material monetary assets and liabilities denoted in foreign currency:

	Accounts receivable	Accounts payable	Net cash balances	Net (liabilities)/ assets before FEC
GBP	79	(464)	–	(385)
MUR	69	(30 333)	–	(30 264)
USD	1 927	(2 461)	652	118
HKD	–	(671)	–	(671)
EUR	57	(636)	15	(564)
AUD	–	(404)	–	(404)
SGD	–	(137)	–	(137)

29.1.2 *Open forward exchange contracts at year-end*

To compensate for the above unhedged foreign currency position, the following forward exchange rates are open at year end:

	Maturity date range (from – to)	Maturity rate range (from – to)	Contracts to buy	Contracts to sell	Net commitment
GBP	10/01/2009 – 12/23/2009	12.33 – 13.76	182	–	182
MUR	10/21/2009 – 01/20/2010	0.25 – 0.27	22 000	–	22 000
USD	10/09/2009 – 03/12/2010	7.52 – 12.57	2 531	(600)	1 931
HKD	10/20/2009 – 11/20/2009	0.96 – 1.00	370	–	370
EUR	10/02/2009 – 02/18/2010	10.94 – 12.09	475	–	475
AUD	10/21/2009 – 11/21/2009	6.59 – 6.63	120	–	120
SGD	10/27/2009 – 12/18/2009	5.43 – 5.62	120	–	120

29.1.3 *(Unhedged)/overcommitted foreign currency position at year-end*

	Total
GBP	(203)
MUR	(8 264)
USD	2 049
HKD	(301)
EUR	(89)
AUD	(284)
SGD	(17)

29.1.4 *Spot rate at year-end*

GBP	12.1283
MUR	0.2525
USD	7.5737
HKD	0.9881
EUR	11.0710
AUD	6.7751
SGD	5.5066

29. FINANCIAL INSTRUMENTS (continued)

29.1 Foreign currency management (continued)

29.1.5 Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the group's profit before tax due to changes in the fair value of forward exchange to which the entity has significant exposure.

	Year end spot rate	Rand appreciation/ (depreciation)	Effect on group R000	Effect on company R000
2009				
– GBP	**12.1283**	**10%**	**246**	**135**
		-10%	**(246)**	**(135)**
– MRU	**0.2525**	**10%**	**209**	**209**
		-10%	**(209)**	**(209)**
– USD	**7.5737**	**10%**	**(1 552)**	**(1 131)**
		-10%	**1 552**	**1 131**
– EUR	**11.0710**	**10%**	**99**	**152**
		-10%	**(99)**	**(152)**
2008				
– GBP	15.1708	+10c	8	8
		-10c	(8)	(8)
– USD	8.3900	+50c	(1 010)	(1 010)
		-50c	1 010	1 010
– EUR	11.9948	+10c	108	108
		-10c	(108)	(108)

29.2 Interest rate risk

The group is exposed to interest rate fluctuations on its bank balances, preference shares and long-term borrowings. Borrowings issued at variable rates expose the group to cash-flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The group's borrowings are denominated in Rands and the group has not entered into any derivative contracts to limit this exposure.

Effective interest rate on cash on call is 6.5% (2008: 11.5%). Interest rate and exposure on other borrowings is disclosed in note 16.

At 30 September 2009, if interest rates had been 1% higher (2008: 1%), with all other variables held constant, post-tax profit would have been R186 000 (2008: R258 000) higher for the group and R152 000 (2008: R303 000) higher for the company.

29. FINANCIAL INSTRUMENTS (continued)

29.3 Credit risk

The group is exposed to credit risk through its investments in accounts receivable, derivative financial instruments and cash resources. Exposure to these balances can be seen in notes 9, 11 and 29.1. The group manages the risk through adopting, where applicable, comprehensive credit checks, continual credit limit reviews, and obtains security for any amounts advanced by way of loans, where this is considered necessary. Ongoing credit evaluations are performed on the financial position of these debtors.

It is the group's policy to limit derivative counter parties and cash transactions to high-credit-quality financial institutions.

Potential concentrations of credit risk consist mainly within trade receivables. Trade receivables are presented net of the provision for impairment.

29.3.1 Credit risk disclosures

	Total R000	0 – 30 days R000	31 – 60 days R000	61 – 120 days R000	> 120 days R000
2009					
Past due but not impaired trade receivables	**33 294**	**12 904**	**6 485**	**5 958**	**7 947**
Impairment					
Balance at beginning of the year	**4 345**				
Increase/(decrease) in provision	**(274)**				
Balance at end of the year	**4 071**				
Exposure by geographic area					
– Singapore	**4 571**				
– South Africa	**97 699**				
	102 270				
Exposure by industry					
– Tourism and leisure	**86 201**				
– Other	**16 069**				
	102 270				
2008					
Past due but not impaired trade receivables	37 106	19 577	3 993	11 592	1 944
Impairment					
Balance at beginning of the year	2 599				
Increase/(decrease) in provision	1 796				
Balance at end of the year	4 395				
Exposure by geographic area					
– Singapore	6 408				
– South Africa	93 073				
	99 481				
Exposure by industry					
– Tourism and leisure	95 786				
– Other	3 695				
	99 481				

In assessing the credit quality of the debtors that are neither past due nor impaired, it was noted that no credit limits were exceeded during the year. Management does not expect any losses from non-performance by these counter parties.

29. FINANCIAL INSTRUMENTS (continued)

29.4 Liquidity risk

The group manages its exposure to liquidity risk by monitoring actual against approved forecast cash flows and ensuring that adequate provision is made to fund future cash flow requirements. As at year-end, the directors believed that sufficient funds were available to meet these requirements.

The group utilises the credit facilities of various banking institutions and has been able to operate within these facilities. This trend is expected to continue into the foreseeable future to fund growth in the group. Undrawn borrowing facilities amount to R42.3 million.

29.4.1 *Liquidity risk disclosures*

Maturity analysis

		Contractual cash flows						
	Carrying amount R000	Total R000	On demand R000	6 months R000	6 – 12 months R000	1 – 2 years R000	2 – 5 years R000	> 5 years R000
GROUP								
2009								
Preference shares – liability	**500**	**500**	**–**	**–**	**–**	**–**	**–**	**500**
Instalment sale liability	**12 172**	**12 172**	**–**	**2 110**	**1 930**	**4 115**	**4 017**	**–**
Long-term loans	**25 000**	**25 000**	**–**	**–**	**–**	**25 000**	**–**	**–**
Accounts payable	**197 488**	**197 488**	**–**	**197 133**	**316**	**39**	**–**	**–**
Preference dividends	**41**	**41**	**–**	**41**	**–**	**–**	**–**	**–**
2008								
Preference shares – liability	500	500	–	–	–	–	–	500
Instalment sale liability	14 056	14 056	–	2 245	2 106	6 514	3 191	–
Long-term loans	25 000	25 000	–	–	–	25 000	–	–
Accounts payable	257 527	257 527	–	253 707	392	2 379	33	1 016
Preference dividends	14	14	–	14	–	–	–	–
COMPANY								
2009								
Preference shares – liability	**500**	**500**	**–**	**–**	**–**	**–**	**–**	**500**
Loans from subsidiaries	**3 754**	**3 754**	**–**	**–**	**–**	**–**	**–**	**3 754**
Instalment sale liability	**242**	**242**	**–**	**242**	**–**	**–**	**–**	**–**
Long-term loans	**25 000**	**25 000**	**–**	**–**	**–**	**25 000**	**–**	**–**
Accounts payable	**180 989**	**180 989**	**–**	**180 673**	**316**	**–**	**–**	**–**
Preference dividends	**41**	**41**	**–**	**41**	**–**	**–**	**–**	**–**
2008								
Preference shares – liability	500	500	–	–	–	–	–	500
Loans from subsidiaries	3 712	3 712	–	–	–	–	–	3 712
Instalment sale liability	784	784	–	255	255	274	–	–
Long-term loans	25 000	25 000	–	–	–	25 000	–	–
Accounts payable	245 246	245 246	–	241 659	292	2 279	–	1 016
Preference dividends	14	14	–	14	–	–	–	–

29.5 Fair value of financial instruments

The carrying values of financial instruments on the face of the balance sheet and in the notes accurately represent their fair values.

30. RELATED PARTIES

30.1 Identity of related parties

An analysis of the shareholding as at 30 September 2009 is presented on page 13.

The subsidiaries of the group including any outstanding balances owing are identified in note 5.

The directors are listed in the Directors' report on page 16.

The associate companies and joint venture partners of the group are identified in note 6.

The group's head offices and the Thompsons Johannesburg operation in Rosebank are leased from Motolla Property Investments (Pty) Limited, an entity to which one of the group's shareholders, Travcorp Financial Services Limited, is a related party. The registered office and Central Boating premises are also leased from Motolla Property Investments (Pty) Limited.

	2009 R000	2008 R000
30.2 Related party transactions		
Directors' emoluments – see note 23.		
Rentals paid to Motolla Property Investments (Pty) Limited	**6 652**	4 011
The directors are of the opinion that the terms and conditions of the rental agreements approximate those available in the open market.		
30.2.1 Transactions with related parties in the group		
Management fees charged to subsidiaries	**1 326**	414
Commission on sales to subsidiaries	**1 437**	2 219
Purchases from associates	**2 420**	2 023
Purchases from joint venture	**2 671**	5 118

30.3 Outstanding balances

Outstanding balances are disclosed in notes 5 and 6.

31. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 2009 and 30 September 2008 except as noted in note 28.

32. BUSINESS COMBINATIONS

The company purchased Central Boating with effect from 1 October 2008 which is a marine leader in the importation and distribution of leisure marine equipment to both the yachting and power boat sectors of the market in South Africa. This acquisition has strengthened the company's presence in the marine industry and will add additional profits to the group in the future.

Details of net assets and goodwill are as follows:

	2009 R000
Purchase consideration paid in cash	**17 537**
Fair value of net assets acquired – inventory	**7 864**
Goodwill	**9 673**
Since the acquisition date, the following amounts have been included in the statement of comprehensive income for Central Boating for the year:	
Revenue	**40 483**
Profit	**2 342**

Goodwill is attributable to significant synergies expected to arise between Manex and Central Boating.

SEGMENTAL INFORMATION

for the year ended 30 September 2009

The group is organised into two business segments:
– Travel and tourism
– Marine and Boating

TOTAL	2009 R000	2009 %	2008 R000	2008 %
Revenue	**406 509**	**100**	397 603	100
Operating profit/loss	**22 566**	**100**	16 710	100
Other information				
Assets	**368 589**	**100**	409 915	100
Liabilities	**256 519**	**100**	316 509	100
Capital expenditure				
– Property, plant and equipment	**5 481**	**100**	13 522	100
– Goodwill	**9 673**	**100**	–	100
– Intangible assets	**3 721**	**100**	6 620	100
Depreciation	**18 599**	**100**	18 515	100
TRAVEL AND TOURISM				
Revenue	**335 782**	**82.60**	368 282	92.63
Operating profit/loss	**18 963**	**84.03**	15 471	92.59
Other information				
Assets	**326 825**	**88.67**	395 925	96.59
Liabilities	**211 149**	**82.31**	272 974	86.25
Capital expenditure				
– Property, plant and equipment	**5 057**	**92.26**	13 095	96.84
– Goodwill	**–**	**–**	–	
– Intangible assets	**3 721**	**100**	6 612	99.88
Depreciation	**18 282**	**98.29**	18 344	99.08
MARINE AND BOATING				
Revenue	**70 727**	**17.40**	29 321	7.37
Operating profit/loss	**3 603**	**15.97**	1 239	7.41
Other information				
Assets	**35 379**	**9.60**	8 105	1.98
Liabilities	**7 550**	**2.94**	5 201	1.64
Capital expenditure				
– Property, plant and equipment	**424**	**7.74**	427	3.16
– Goodwill	**9 673**	**100**	–	–
– Intangible assets	**–**	**–**	8	0.12
Depreciation	**322**	**1.73**	168	0.91
OTHER				
Revenue	**–**	**–**	–	–
Operating profit/loss	**–**	**–**	–	–
Other information				
Assets	**6 385**	**1.73**	5 885	1.44
Liabilities	**37 820**	**14.74**	38 333	12.11
Capital expenditure				
– Property, plant and equipment	**–**	**–**	–	–
– Goodwill	**–**	**–**	–	–
– Intangible assets	**–**	**–**	–	–
Depreciation	**–**	**–**	–	–

ADMINISTRATION AND SHAREHOLDERS' DIARY

Cullinan Holdings Limited
Incorporated in the Republic of South Africa
Registration number 1902/001808/06
Share code CUL ISIN ZAE000013710
Share code ULP ISIN ZAE000001947

Administration
Secretary
Mr DK Standage

Registered office
The Travel House
6 Hood Avenue
Rosebank
2196

Auditors
Mazars Moores Rowland
5 St Davids Place
Parktown
2193
PO Box 6697
Johannesburg
2000

Postal address
PO Box 41032
Craighall
2024
Telephone: (011) 770-7994
Telefax: (011) 770-7485

Bankers
The Standard Bank of South Africa Limited
3 Simmonds Street
Johannesburg
2001

Transfer secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg
2001
PO Box 61051
Marshalltown
2107
Call Centre: (011) 688-7737

Sponsor
Arcay Moela Sponsors (Pty) Limited
3 Anerley Road
Parktown
2193
PO Box 62397
Marshalltown
2107

Financial year-end	30 September 2009
Annual general meeting	7 April 2010

2009 financial year reports and profit statements	**Date of publication**
Half-yearly interim report	June 2009
Results for the year ended 30 September 2009	December 2009
Annual financial statements	February 2010

Dividends	**Declared**	**Paid**
5.5% cumulative preference shares	June/December	July/January

NOTICE OF MEETING

Notice is hereby given that the 105th annual general meeting of members of the company will be held at Thompsons Holidays Head Office, Second Floor, The Travel House, 6 Hood Avenue, Rosebank, 2196, on Wednesday, 7 April 2010 at 10:00 for the purposes of considering and, if deemed fit, passing with or without modification, the ordinary resolutions set out below:

ORDINARY RESOLUTIONS

1. Approval of the annual financial statements

To receive and adopt the annual financial statements of Cullinan for the year ended 30 September 2009.

2. Directors remuneration paid

To confirm the directors' remuneration as detailed in the directors' emoluments note in the Annual Report of Cullinan for the year ended 30 September 2009.

3. Ratification of actions of board of directors

To ratify and confirm the actions of all persons who held office as members of the board of directors of Cullinan during the year ended 30 September 2009 in so far as such actions had any bearing on the affairs of Cullinan.

4. Re-election of directors

To re-elect MA Ness and DD Hosking as non-executive directors and LA Pampallis as an executive director of Cullinan Holdings Limited in accordance with the provisions of the Articles of Association of Cullinan Holdings Limited.

5. Reappointment and remuneration of auditors

To reappoint Mazars Moores Rowland as auditors and Mark Snow as the individual designated auditor of the company until the following annual general meeting, and to authorise the directors to determine their remuneration for the past year.

6. Placing authorised but unissued share capital under the control of the directors

Resolved that the unissued ordinary shares in the capital of the company be and are hereby placed under the control of the directors until the next annual general meeting and that they are hereby authorised to issue any such shares as they may deem fit in accordance with the provisions of the Companies Act, 1973 (Act 61 of 1973), as amended, the Articles of Association of the company, and the Listings Requirements of the JSE Limited (JSE).

7. To transact such other business as may be transacted at an annual general meeting.

All shareholders are entitled to attend, speak and vote at the general meeting and to appoint one or more proxies to attend, speak and vote or abstain in their stead. A proxy need not be a member of the company. On a show of hands, every member who is present in person or by proxy shall have one vote, and, on a poll, every member present or by proxy shall have one vote for each share held by him/her.

By order of the board

DK Standage
Company Secretary

Johannesburg
28 January 2010

NOTES

PROXY FORM

CULLINAN HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1902/001808/06)

A certificated or own name dematerialised Cullinan shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy, or proxies, to attend, speak and vote thereat in his/her stead. A proxy need not be a shareholder of the company. All forms of proxy must be lodged with the transfer secretaries, Computershare Investor Services (Proprietary) Limited (Ground Floor, 70 Marshall Street, Johannesburg 2001 or PO Box 61051, Marshalltown 2107) or with the company (2nd Floor, The Travel House, 6 Hood Avenue, Rosebank or PO Box 41032, Craighall, 2024), by not later than 24 hours before the time for the holding of the meeting.

In terms of the custody agreements entered into by dematerialised shareholders and their CSDPs or brokers
- **dematerialised shareholders, other than own-name dematerialised shareholders, that wish to attend the general meeting, must instruct their CSDP or broker to issue them with the necessary authority to attend the general meeting;**
- **dematerialised shareholders, other than own-name dematerialised shareholders, that wish to be represented at the general meeting by way of proxy, must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.**

I/We ______________________________

(NAME IN BLOCK CAPITALS)
being a member(s) of Cullinan Holdings Limited hereby appoint

______________________ of ______________________ or failing him,

______________________ of ______________________ or failing him,

the chairman of the meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the annual general meeting of the company, to be held on 7 April 2010 at 10:00 and at any adjournment thereof, as indicated below:

Ordinary Resolutions	**In favour of***	**Against***	**Abstain***
1. Approval of the annual financial statements			
2. Directors' remuneration paid			
3. Ratification of actions of board of directors			
4. Re-elections of directors			
4.1 To re-elect MA Ness who retires in accordance with the company's Articles of Association and offers himself for re-election			
4.2 To re-elect DD Hosking who retires in accordance with the company's Articles of Association and offers himself for re-election			
4.3 To re-elect LA Pampallis who retires in accordance with the company's Articles of Association and offers herself for re-election			
5. Reappointment and remuneration of auditors			
6. Placing authorised but unissued share capital under the control of the directors			
7. To transact such other business as may be transacted at an annual general meeting			

**Indicate your instructions to proxy by way of a cross in the spaces provided above. Unless otherwise instructed, the proxy may vote as he/she deems fit.*

Signed at ______________________ on ______________________ 2010

Signature ______________________

Assisted by (if applicable) ______________________

Capacity ______________________

NOTE: Please read the notes on the reverse side of this form of proxy

NOTES TO FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/ she deems fit in respect of all the member's votes exercisable thereat. A shareholder or his/ her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.

3. Forms of proxy must be lodged with or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) or to the company, Second Floor, The Travel House, 6 Hood Avenue, Rosebank (PO Box 41032, Craighall, 2024) so as to be received by not later than 24 hours before the time for the holding of the meeting.

4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company's transfer secretaries or waived by the chairman of the general meeting.

6. Any alteration or correction made to this form of proxy must be initialled by the signatories.

7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the company.

8. The chairman of the general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the general meeting is satisfied as to the manner in which the shareholder wishes to vote.

9. The date must be filled in on this form of proxy when it is signed.

ince.motiv

CULLINAN HOLDINGS LTD

TOURISM & LEISURE

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Thompsons Africa

Thompsons Africa - Gateway

Thompsons Touring & Safaris

Thompsons Leisure Travel

Thompsons Corporate Travel

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JSE SHARE CODE: CUL

ISIN:ZAE000013710