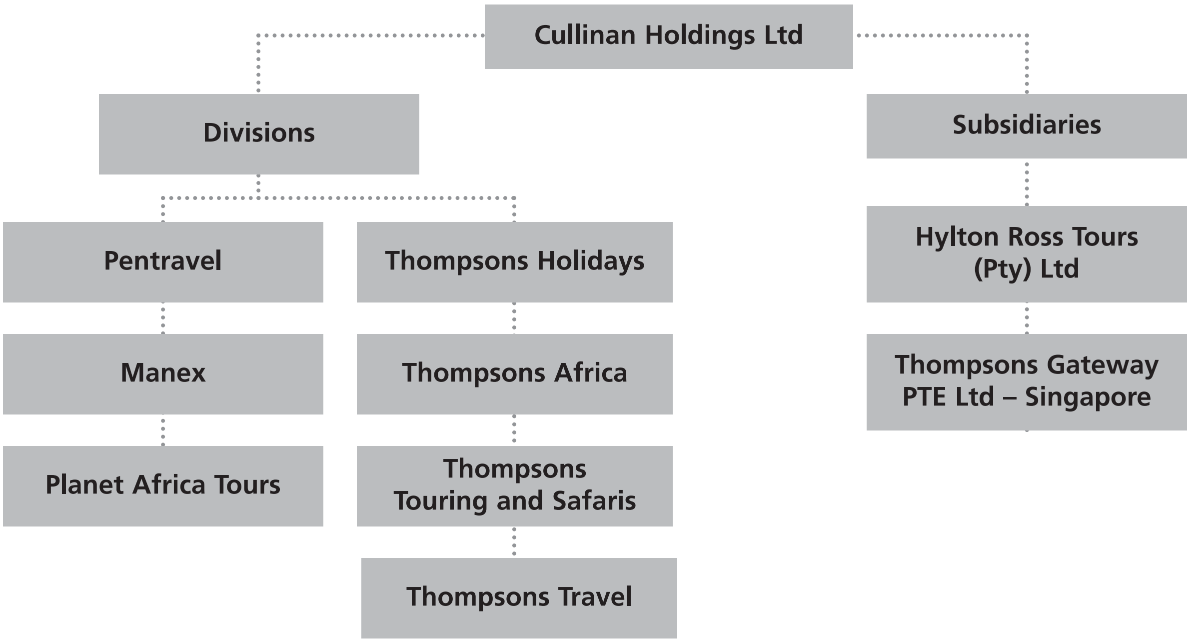
CORPORATE PROFILE



THOMPSONS TRAVEL & TOURISM

The travel business was established in 1978. It has subsequently become a well-known brand in both the Incoming and Outgoing travel industry in Southern Africa. Over the years the group has been the winner of numerous travel awards. It has received "The Best International Tour Operator" and "The Best African Tour Operator" award from the Diners Club and the Association of South African Tourism Agents (ASATA) within the last five years.

With the exception of Hylton Ross, the group is managed as a single entity with the different divisions sharing common services wherever it is practical. Marketing and fulfilment are managed independently at a divisional level. The group's chosen marketplace is Sub-Saharan Africa and the adjacent Indian Ocean Islands. Its objective is to provide tourism and travel services both to people who live within this geographical area and to those who visit it.

THOMPSONS HOLIDAYS (the Outbound division, previously known as Thompsons Tours)

Thompsons Holidays is a travel wholesaler with reservations offices in Johannesburg and Cape Town. It trades with retail travel agents in Southern Africa. The division distributes travel products to a wide variety of destinations catering primarily to the leisure travellers who live in Southern Africa. Destinations include South Africa itself, the rest of Africa, the Indian Ocean Islands, Europe, the United Kingdom, the Far East and the Americas. Apart from the arrangements that are sold to individuals, products requiring in-depth knowledge and experience such as Cruising, Ski holidays, Escorted Tours, Incentives, Conferences and Events are handled by specialists within the company. It has a staff complement of 370. The division is managed by Andre Viljoen.

THOMPSONS AFRICA (the Inbound division)

The Inbound division is a destination management company supplying fully inclusive arrangements in South and Southern Africa to a world-wide audience. These services include airport meet-and-greets, transfers, sightseeing and fully escorted tours, guaranteed departure seat-in-vehicle tours and fully inclusive services. There are sales offices in Singapore, Tokyo, Osaka and Frankfurt as well as receptive offices in Johannesburg, Hazyview and Malelane (for Kruger Park), Cape Town, Durban, Hluhluwe, Port Elizabeth (for the Garden Route), Windhoek and Victoria Falls. The division has a full-time staff complement of which includes foreign-language-speaking guides and consultants who are fluent in Mandarin, Arabic, Japanese, French, Italian, Russian, Spanish, German, Dutch and Portuguese. The division's customer base is well diversified, with business originating from most areas of the globe including Europe, the United Kingdom, Asia, the USA, South America, the Middle East, Russia, the Indian Ocean Islands and Africa. The division is managed by Linda Pampallis.

THOMPSONS TOURING AND SAFARIS (Previously known as Thompson Africa Touring and Safaris)

The Vehicle Touring division operates its own fleet of 60 vehicles including Volkswagen minibuses, Volare Coaches and 14-seater Quantums, which together with a chartered fleet of touring coaches, provides a wide range of touring product. Day and city sightseeing tours are offered on a guaranteed departure basis, as are daily shuttles and point-to-point transfers. Overland seat-in-vehicle tours are offered in German, Spanish and English, and in most other major languages as and when required.

The Safari business operates in four locations – Hazyview and Malelane for the Kruger National Park, Hluhluwe for the Hluhluwe/Umfolozi Game Reserve and surrounding St. Lucia area and the Victoria Falls for the Musi Otunia National Park. It has permits to conduct open vehicle game drives, walks and camping safaris in the parks. With contracted accommodation, it provides a high quality game experience at an affordable price, which has been well received by the international market. The division has a staff complement of 87 and is managed by Angela Shackleford.

THOMPSONS TRAVEL

Thompsons Travel is a retail travel agency with offices in Durban, Cape Town and Johannesburg. The Corporate division provides the full spectrum of travel services for the business community, while the Leisure division concentrates on the needs of the holidaymaker. The division employs 77 people and is managed by Mary Shilleto.

PENTRAVEL

Pentravel specialises in marketing holidays and leisure travel. The 23 Pentravel sales shops are located in the largest shopping malls in all major centres and are supported by a Central Services unit based in Durban.

Apart from operating as a normal travel agency, Pentravel distributes and sells well known airline and leisure travel brands through its travel sales shops, including those of its sister division Thompsons and the international British Airways Holidays programme.

The new PenDirect booking office, opened in January, deals with Web bookings from the public and is the fastest growing part of the business. Pentravel's software development programme includes a new on-line Web booking engine that will compete directly with the airlines in offering competitive airfares and travel packages.

The division employs 172 staff and is managed by Rob Crankshaw.

MANEX

Manex is a supplier to the yachting, power boat and scuba diving industries. It has offices in Cape Town and Johannesburg. It has a staff complement of 31 and is managed by David Barnes.

HYLTON ROSS TOURS (Pty) Ltd

Hylton Ross is a well known brand in the Western Cape and offers coach and vehicle charter. The fleet totalling some 50 vehicles ranges from luxury Mercedes chauffeur-driven sedans to 49 seater full luxury touring coaches, licensed to collect groups anywhere in South Africa.

The brand is also synonymous with top quality seat-in-vehicle tours around the Western Cape and the Garden Route. The company is managed by Geert van Doorn and has a team of 45 office and workshop staff and a pool of some 42 freelance tour guides.

THOMPSONS GATEWAY PTE Ltd (SINGAPORE)

Gateway is a sales office specialising in group and individual travel from South East Asia to Southern Africa.

PLANET AFRICA TOURS

Planet Africa Tours is a 50/50 venture with Mr Takashi Miyata and partners. The division operates as a destination management company specialising in handling Japanese and Korean Inbound travellers. The division was started in 2005 and now employs 12 staff. The division is managed by Mr Takashi Miyata.

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SHAREHOLDERS' ANALYSIS

An analysis of the shareholding at 30 September 2008 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	1 084	43 146 553	6.0
Non-public	3	675 208 651	94.0
Total	**1 087**	**718 355 204**	**100.0**

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) & (e), 4.31 (g)(iv) & (v)	2	532 952 890	74.2	0
Any associates of the above	1	142 255 761	19.8	0

MAJOR SHAREHOLDERS HOLDING MORE THAN 5%

PUBLIC

Name	Holding	% holding
Holding less than 5%	43 146 553	6.0
NON-PUBLIC		
Travcorp Financial Services Limited	456 313 278	63.5
BBH Collins Stewart Limited	142 255 761	19.8
BB Inv Co (Pty) Limited	76 639 612	10.7
Holding less than 5%	0	0.0
	675 208 651	94,0
Total	**718 355 204**	**100.0**

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	59	500 000	100.0
Non-public	0	0	0.0
Total	**59**	**500 000**	**100.0**

MAJOR SHAREHOLDERS HOLDING MORE THAN 5%

PUBLIC

Name	**Holding**	**% Holding**
Shotter – Peter Robert Surtees	147 843	29.6
SA Equities Limited	91 000	18.2
Old Sillery (Pty) Limited	150 128	30.0
Holding less than 5%	111 029	22.2
Total	**500 000**	**100.0**

FINANCIAL REVIEW

for the year ended 30 September 2008

Group summary (R000)	2008	2007
Income statement		
Revenue	**397 603**	359 716
Operating income	**16 710**	27 383
Net finance income	**2 972**	3 886
Profit for the year	**16 310**	22 267
Balance sheet		
Ordinary shareholders' equity	**92 855**	83 785
Preference shares		
– equity portion	**546**	546
Bank balances	**130 169**	122 168
Cash flow statement		
Increase/(Decrease) in cash and		
cash equivalents	**8 001**	(2 658)

Group summary	2008	2007
Group statistics		
Ordinary share performance		
(cents per share)		
Attributable earnings	**2.27**	3.10
Headline earnings	**0.69**	3.10
Net asset value	**12.9**	11.7
Closing market price	**33**	65
Liquidity		
Current ratio	**1.05:1.0**	1.06:1.0
Other		
Number of ordinary shares		
issued (000)	**718 355**	718 355
Weighted average shares (000)	**718 355**	718 355
Number of employees	**994**	1 032

Overview

This year was characterised by a decline in the profits of the Outbound and Inbound divisions of the company due to the adverse trading conditions. The volatility of currencies, as well as the general poor local and global market conditions, have resulted in a decline in both the outbound and inbound businesses.

REVIEW OF OPERATIONS

Thompsons Holidays (the Outbound division)

The Holidays division is a wholesale supplier of travel related products and holidays to the South African market. The domestic travel market has continued to be affected by the volatile Rand, the growth of low cost carriers selling holiday packages, the National Credit Act, high inflation and the change in buying patterns. This has resulted in a slow down of sales in the second six months.

This has been addressed by way of a number of new sales initiatives, the implementation of cost reduction measures and an efficiency drive.

Thompsons Africa (the Inbound division)

The Africa division is a tour wholesaler and destination marketing organisation that sells Africa to the rest of the world. Turnover is influenced by the relative strength of the South African Rand, the available air lift into South Africa, the extensive relationships with the international tour operators and service excellence. The Rand has been weaker for most of the year and has helped improve turnover and margins. Despite this the global slow down in travel over the past six months has affected sales and profitability adversely. Steps have been implemented to reduce costs and improve efficiencies.

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 and profits have declined slightly this year on lower passenger volumes and increased costs, particularly in fuel.

Thompsons Travel

Thompsons Travel is a retail travel agency with offices in Johannesburg, Cape Town and Durban. Both the Corporate and Leisure divisions showed a satisfactory improvement in profitability this year.

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.

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. It is a well known brand in the travel market and enjoys a substantial market share in the Western Cape. The company continued to grow turnover and profitability throughout the year despite the fleet expansion commenced last year.

Thompsons Gateway

Gateway, a sales office in Singapore, had a good year showing improved turnover and profits. Profits were also positively influenced by the weaker South African Rand.

Planet Africa

Planet Africa is a joint venture operation formed to sell and market Southern Africa to Far Eastern tourists. It has had a record year in turnover and profits.

Manex

Manex is a supplier to the yacht building industry. The management was replaced during the latter part of the year and steps have been taken to improve profitability.

Prospects

All the businesses are impacted by the volatility of the Rand and it remains an ongoing challenge for management. The poor global and local trading conditions are expected to continue throughout most of the coming year and will negatively affect the outbound and inbound businesses.

The company will continue to implement sales initiatives, cost reduction and efficiency improvement measures.

AN Viljoen
Chief Executive Officer

M Tollman
Chairman

11 December 2008

FINANCIAL REPORT

Profit for the year for the group showed a decline of 27% over the previous year. Headline earnings, after adjusting for profits on disposal of fixed property decreased by 78%.

PROPERTY, PLANT AND EQUIPMENT

The movement in the net book value of property, plant and equipment is detailed in note 1 of the financial statements. The group incurred capital expenditure of R13.5 million, with the main items being:

– Motor vehicles	R3.27 million
– Computer equipment	R2.69 million
– Leasehold improvements	R2.49 million
– Furniture and fittings	R2.82 million
– Plant and machinery	R2.25 million

There were no changes in the nature of the property, plant and equipment of the group or in the policy regarding their use.

GOODWILL

The movement in the net book value of goodwill is included in note 3 of the financial statements. There were no acquisitions or disposals during the year.

INTANGIBLE ASSETS

The movement in the net value of intangible assets is included in note 4 of the financial statements. The group incurred capital expenditure of R6.6 million during the year on computer software.

CASH FLOW

A detailed cash flow is reflected in the financial statements and the notes thereto.

The group generated a cash inflow of R8.001 million for the year.

DIVIDENDS

An ordinary dividend (number 129) of 1 cent per ordinary share was declared and paid during the year.

The following preference dividends were declared during the year:

– 5.5% cumulative preference shares	R55 000

RISK MANAGEMENT

Insurance losses, including material damage to assets and the resultant business interruption, are covered through policies underwritten locally by reputable insurers.

- **Foreign exchange risk** on the net Rand value of working capital and expected future sales is limited by using foreign exchange contracts where necessary.
- **Price hedging** on future purchases and sales of goods and services is not undertaken. Prices are established on normal commercial terms directly with suppliers or customers through agents.
- **Internal financial controls** are monitored on an ongoing basis with an outsourced internal auditor performing “status of records” reviews and reporting to the audit committee half-yearly.
- **Credit risk** is managed through an adequate internal control system including credit checks, client assessment and security over client assets.
- **Liquidity risk** is managed through comprehensive cash forecasts and cash management policies.

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.

BOARD OF DIRECTORS

The board of directors comprises five non-executive directors and two executive directors. The roles of the Chairman and Chief Executive Officer do not vest in the same person.

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:

	6 Dec 2007	26 Feb 2008	14 Apr 2008	17 June 2008	16 July 2008	3 Sept 2008
LA Pampallis	X	X	X	X	A	A
MA Ness	X	X	X	X	X	X
DD Hosking	X	X	X	X	X	X
VET O'Hana	X	A	X	A	X	X
M Tollman	X	X	X	X	X	X
AN Viljoen	X	X	X	X	X	X
GB Tollman	–	–	–	–	–	X

A = Absent

In terms of Article 20.0 of the Articles of Association, the following directors retire and are eligible for re-election:

– VET O'Hana
– M Tollman

Mr M Tollman was appointed Non-Executive Chairman on 16 July 2008 and Mr MA Ness resigned as Non-Executive Chairman on this date.

Mr GB Tollman was appointed a Non-Executive Director on 16 July 2008.

Brief CVs of the board members are as follows:

Michael Tollman

Age 47. South African resident. 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.

Andre Viljoen

Age 57. Resident of South Africa. Managing Director and Chief Executive Officer of Cullinan Holdings Limited. Previously Financial and Commercial Director of the Comair Group for 12 years and Chief Financial Officer, President and Chief Executive Officer of SAA for six years.

He has extensive knowledge of the Travel and Tourism industry.

Linda Pampallis

Age 51. Resident of South Africa. Chief Executive Officer of Thompsons Africa, the Thompsons Inbound division. She has been involved in the local travel industry for 33 years and serves on the board of the International Convention Centre Durban.

Michael Ness

Age 63. 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. He is also on the Board of Wilderness Safaris.

David Hosking

Age 55. 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 45. 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.

Gavin Tollman

Age 45. 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.

DIRECTORS' DEALING IN SHARES

LA Pampallis sold her 8 743 950 shares.

There are no other shares or share options held by directors.

AUDIT COMMITTEE

The audit committee comprises two non-executive directors (DD Hosking and MA Ness) and an executive director (AN Viljoen) and is chaired by a non-executive director (DD Hosking). 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 (AN Viljoen) 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. Financial discipline reviews are conducted annually by an outside consultant.

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 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 Environmental Affairs and Tourism 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.

Industry specific scorecards are in the process of being approved by the Department of Trade and Industry (DTI). Once the TBCSA scorecard has been approved by DTI the company scorecard will be updated and an accredited rating agency will be engaged to independently rate the 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.

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 2009 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 14.

The annual financial statements and group annual financial statements set out on pages 15 to 52, which have been prepared on the going concern basis, were approved by the board on 11 December 2008 and were signed on its behalf by:

AN Viljoen
Chief Executive Officer

M Tollman
Chairman

11 December 2008

CERTIFICATE OF THE GROUP SECRETARY

In my capacity as Group Secretary, I hereby confirm, in terms of section 268 G(d) of the Companies Act, 1973, that for the year ended 30 September 2008, 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
Group Secretary

11 December 2008

INDEPENDENT AUDITOR'S REPORT

To the members of Cullinan Holdings Limited

We have audited the group annual financial statements and annual financial statements of Cullinan Holdings Limited, which comprise the consolidated and separate balance sheets as at 30 September 2008, and the consolidated and separate income statements, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements 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 15 to 52.

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 2008, 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

Mazars Moores Rowland
Registered Auditor

Partner: Mark Snow
Registered Auditor

Johannesburg
11 December 2008

DIRECTORS' REPORT

for the year ended 30 September 2008

The directors have pleasure in submitting their report for the year ended 30 September 2008.

GENERAL REVIEW

The main business of the group is inbound and outbound travel services.

The financial statements on pages 15 to 52 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 R16.310 million (2007: R22.265 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 on pages 33 and 34 of this report. The aggregate net profit of subsidiaries attributable to the company for the year was as follows:

	2008 R'million	2007 R'million
Profit for the year from subsidiaries, associates and joint ventures	**9.66**	8.31

AUTHORISED AND ISSUED SHARE CAPITAL

There were no changes to the authorised or issued share capital or preference shares during the year. See note 11 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 R13.522 million (2007: R27.234 million) was acquired by the group and R12.205 million (2007: R11.806 million) by the company.

BORROWING FACILITIES

The group has short-term borrowing facilities amounting to R28 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. The group also has Vehicle and Asset Financing Instalment Credit facilities of R85 million with Absa Bank Limited and the Standard Bank of South Africa Limited which bear interest at prime less 2.1%.

EVENTS OCCURRING SUBSEQUENT TO BALANCE SHEET DATE

On 1 October 2008 the business of Central Boating (Pty) Limited was purchased for R17.44 million. The details of this acquisition can be found in note 31.

DIRECTORS

The following directors served in office during the year ended 30 September 2008:

M Tollman	–	Chairman – Non-Executive Director
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
GB Tollman	–	Non-Executive Director (USA – appointed 16 July 2008)

DIVIDENDS

Ordinary dividends of R7.184 million (2007: R7.184 million) were declared and paid during the year.

Preference dividends of R55 000 (2007: R50 000) were declared and paid during the year.

COMPANY SECRETARY

Mr QA Southey resigned as Company Secretary on 16 July 2008. Mr BM Jacobs was appointed Company Secretary on 16 July 2008 and resigned on 18 November 2008. Mr DK Standage was appointed as Company Secretary on 18 November 2008.

INTEREST OF DIRECTORS

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

HOLDING COMPANY

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

AUDITORS

Mazars Moores Rowland was elected as auditors in the current year in terms of the Companies Act, 1973 of South Africa.

SPECIAL RESOLUTIONS

No special resolutions were passed during the year.

AN Viljoen
Director
11 December 2008

M Tollman
Director
11 December 2008

BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs 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 all years disclosed except for the adoption of an accounting policy regarding the acquisition of minority interests in subsidiary companies in terms of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

New accounting policy

Acquisition of minorities

The group has adopted an accounting policy regarding the acquisition of minority interests in subsidiary companies in terms of IAS 8 paragraph 10. Minority shareholders are treated as equity participants and, therefore, all acquisitions of minority 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 minority'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. The adoption of this policy has not had any impact on previously reported results.

BASIS OF CONSOLIDATION

The consolidated financial statements include those of Cullinan Holdings Ltd, 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.

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.

Minority shareholders are treated as equity participants and, therefore, all acquisitions of minority 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 minority interest's share of the assets and liabilities reflected within the consolidated balance sheet at the date of the acquisition is therefore reflected as being a transaction between owners, an equity transaction.

Minority 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.

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 IAS39 *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 Ltd 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.

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 Yachting and Diving. 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 Yachting and Diving 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

IFRS 7 Financial Instruments: Disclosures

This Standard is effective for periods beginning on or after 1 January 2007. The Standard has resulted in increased disclosures relating to the significance of financial instruments on the group's financial position and performance and the nature and extent of risks arising from these financial instruments to which the group is exposed during the period and at year-end and the manner in which the group manages these risks. This Standard did not have a material impact on the financial results of the group and only expanded on the disclosures surrounding the group's financial instruments.

IAS 1 Presentation of Financial Statements (Amendment – Capital disclosures)

This amendment is effective for annual periods beginning on or after 1 January 2007. As a result of the development of IFRS 7 Financial Instruments: Disclosures, IAS 1 has been amended to require the disclosure of the entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements and if it has not complied, the consequences of such non-compliance. The impact of this standard is that it requires more extensive disclosure of the group's capital management.

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
IFRS 3	Business Combinations	1 July 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 23	Borrowing Costs	1 January 2009	Effect being investigated
IAS 27	Consolidated and Separate Financial Statements	1 July 2009	Effect being investigated
IFRS 5	Improvements project	1 July 2009	Effect being investigated
IAS 19	Improvements project	1 January 2009	No expected change
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.

BALANCE SHEETS

at 30 September 2008

Company 2007 R000	Company 2008 R000		Notes	Group 2008 R000	Group 2007 R000
		ASSETS			
102 111	**107 460**	Non-current assets		**118 205**	117 711
28 271	**30 750**	Property, plant and equipment	1	**60 544**	63 876
1 836	**1 836**	Investment properties	2	**–**	331
10 805	**10 805**	Goodwill	3	**24 070**	23 721
25 529	**27 705**	Intangible assets	4	**27 705**	25 529
32 640	**32 755**	Investment in subsidiary companies	5	**–**	–
–	**–**	Investment in associate companies	6	**1 220**	876
–	**–**	Investment in joint venture	6	**1 058**	348
3 030	**3 609**	Deferred tax asset	7	**3 608**	3 030
262 846	**253 835**	Current assets		**283 953**	288 532
10 008	**9 907**	Inventories	8	**9 925**	10 008
144 366	**133 008**	Accounts receivable	9	**142 969**	155 825
–	**877**	Taxation		**890**	531
108 472	**110 043**	Cash resources	10	**130 169**	122 168
331	**6 557**	Non-current assets held for sale	2.1	**7 757**	–
365 288	**367 852**	**Total assets**		**409 915**	406 243
		EQUITY AND LIABILITIES			
76 533	**75 998**	Ordinary shareholders' equity	11-14	**92 855**	83 785
546	**546**	Preference shareholders' equity	11	**546**	546
–	**–**	Outside shareholders' interest		**5**	5
77 079	**76 544**	Total shareholders' equity		**93 406**	84 336
35 462	**37 823**	Non-current liabilities		**45 928**	50 885
500	**500**	Preference shares	11	**500**	500
3 340	**3 712**	Loans from subsidiaries	5	**–**	–
–	**–**	Deferred tax liability	7	**2 386**	1 729
26 035	**25 274**	Long-term loans	15	**34 705**	43 061
5 587	**8 337**	Operating lease accrual	16	**8 337**	5 595
252 747	**253 485**	Current liabilities		**270 581**	271 022
455	**510**	Short-term portion of long-term loans	15	**4 351**	1 954
110	**60**	Operating lease accrual	16	**68**	204
237 300	**245 246**	Accounts payable	17	**257 527**	253 305
7 063	**7 655**	Provisions	18	**7 880**	7 278
7 805	**–**	Taxation		**741**	8 267
14	**14**	Preference dividends		**14**	14
365 288	**367 852**	**Total equity and liabilities**		**409 915**	406 243

INCOME STATEMENTS

for the year ended 30 September 2008

Company 2007 R000	Company 2008 R000		Notes	Group 2008 R000	Group 2007 R000
304 985	**338 370**	Total Revenue	19	**397 603**	359 716
298 111	**331 170**	Turnover	19	**389 939**	352 751
(280 845)	**(325 994)**	Net operating expenses		**(373 229)**	(325 368)
17 266	**5 176**	Operating income	20	**16 710**	27 383
6 874	**7 200**	Finance income	20	**7 664**	6 965
(2 721)	**(3 659)**	Finance expenses	20	**(4 637)**	(3 024)
(55)	**(55)**	Preference dividends paid		**(55)**	(55)
–	**–**	Share of profits of associates	6	**342**	676
–	**–**	Share of profit of joint venture	6	**710**	348
21 364	**8 662**	Profit before tax		**20 734**	32 293
(7 405)	**(2 013)**	Tax expense	22	**(4 424)**	(10 026)
13 959	**6 649**	Profit for the year		**16 310**	22 267
13 959	**6 649**	Profit attributable to equity holders of the company		**16 310**	22 265
		Profit attributable to outside shareholders' interest		**–**	2
		Earnings per share (cents)	23	**2.27**	3.10
		Diluted earnings per share (cents)	23	**2.27**	3.10

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2008

Company 2007 R000	Company 2008 R000		Notes	Group 2008 R000	Group 2007 R000
		Ordinary share capital	11		
7 183	**7 184**	Balance at the beginning of the year		**7 184**	7 183
1	**–**	Issued during the period		**–**	1
7 184	**7 184**	Balance at the end of the year		**7 184**	7 184
		Share premium			
59 902	**59 905**	Balance at the beginning of the year		**59 905**	59 902
3	**–**	Premium on issue of shares		**–**	3
59 905	**59 905**	Balance at the end of the year		**59 905**	59 905
		Share capital reduction reserve fund	12		
20 876	**20 876**	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
		Capital redemption reserve fund	13		
4	**4**	Balance at the beginning of the year		**4**	4
4	**4**	Balance at the end of the year		**4**	4
		Foreign currency translation reserve	14		
–	**–**	Balance at the beginning of the year		**(1 063)**	(1 318)
–	**–**	Reserve on translation of foreign subsidiary		**(360)**	255
–	**–**	Balance at the end of the year		**(1 423)**	(1 063)
		Accumulated loss			
(15 268)	**(11 436)**	Balance at the beginning of the year as previously stated		**(3 121)**	(15 459)
(2 943)	**–**	Prior year adjustment	9	**–**	(2 743)
(18 211)	**(11 436)**	Restated opening balance		**(3 121)**	(18 202)
		Gain realised on acquisition of additional interest in subsidiary		**304**	–
13 959	**6 649**	Profit for the year		**16 310**	22 267
–		Profit attributable to outside shareholders		**–**	(2)
(7 184)	**(7 184)**	Ordinary dividend paid		**(7 184)**	(7 184)
(11 436)	**(11 971)**	Balance at the end of the year		**6 309**	(3 121)
76 533	**75 998**	**Ordinary shareholders' equity**		**92 855**	83 785
		Outside shareholders' equity			
		Balance at the beginning of the year		**5**	3
		Profit attributable to outside shareholders for the year		**–**	2
		Balance at the end of the year		**5**	5
		Total income and expense for the year			
		Profit for the year		**16 310**	22 267
		Attributable to equity holders of company		**16 310**	22 265
		Attributable to outside shareholders		**–**	2
		Reserve on translation of foreign subsidiary		**(360)**	255
				15 950	22 522

CASH FLOW STATEMENTS

for the year ended 30 September 2008

Company 2007 R000	Company 2008 R000		Notes	Group 2008 R000	Group 2007 R000
258 384	**342 528**	Cash receipts from customers		**402 795**	304 937
(240 709)	**(311 526)**	Cash paid to suppliers and employees		**(359 294)**	(273 049)
		Cash flow from operating activities			
17 675	**31 002**	Cash generated by operations	24.1	**43 501**	31 888
6 874	**7 200**	Finance income		**7 664**	6 965
(2 721)	**(3 659)**	Finance expenses		**(4 637)**	(3 024)
(55)	**(55)**	Preference dividends paid	24.2	**(55)**	(55)
(7 184)	**(7 184)**	Ordinary dividends paid		**(7 184)**	(7 184)
(5 646)	**(10 552)**	Normal taxation paid	24.3	**(11 506)**	(7 974)
(905)	**(724)**	Secondary Taxation on Companies paid	24.3	**(724)**	(905)
8 038	**16 028**	**Net cash inflow/(outflow) from operating activities**		**27 059**	19 711
		Cash flow from investing activities			
(11 806)	**(12 205)**	Additions to property, plant and equipment	1	**(13 522)**	(27 234)
(4 701)	**(6 620)**	Additions to intangible assets	4	**(6 620)**	(4 701)
700	**4 817**	Proceeds on disposal of property, plant and equipment		**7 044**	861
–	**(115)**	Investment in subsidiary companies		**–**	–
(23)	**372**	Loans from subsidiary companies		**–**	–
(15 830)	**(13 751)**	**Net cash inflow/(outflow) from investing activities**		**(13 098)**	(31 074)
		Cash flow from financing activities			
4	**–**	Ordinary share capital issued		**–**	4
(715)	**(706)**	Long-term loans raised/(repaid)		**(5 960)**	8 701
(711)	**(706)**	**Net cash inflow/(outflow) from financing activities**		**(5 960)**	8 705
(8 503)	**1 571**	Net (decrease)/increase in cash and cash equivalents		**8 001**	(2 658)
116 975	**108 472**	**Cash and cash equivalents at beginning of year**		**122 168**	124 826
108 472	**110 043**	**Cash and cash equivalents at end of year**	10	**130 169**	122 168

Cash generated by operations in 2007 has been reduced by R676 000 for income from associates incorrectly reflected and cash outflow from investing activities has been decreased by the same amount.

1. PROPERTY, PLANT AND EQUIPMENT – current year

	Land, buildings and leasehold improvements R000	Plant and machinery R000	Motor vehicles R000	Computer equipment R000	Furniture and fittings R000	Total R000
GROUP						
Reconciliation of movement of property, plant and equipment for the year ended 30 September 2008						
Cost						
At beginning of year	**10 818**	**3 556**	**51 717**	**21 127**	**15 128**	**102 346**
Additions	**2 489**	**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 year	**13 011**	**5 803**	**51 709**	**23 848**	**17 987**	**112 358**
Accumulated depreciation						
At beginning of year	**2 952**	**2 564**	**10 648**	**15 862**	**6 444**	**38 470**
Charge for year	**1 409**	**546**	**7 034**	**2 926**	**2 155**	**14 070**
Disposals	**(21)**	**(1)**	**(754)**	**–**	**(5)**	**(781)**
Foreign exchange translation	**–**	**–**	**–**	**23**	**32**	**55**
At end of year	**4 340**	**3 109**	**16 928**	**18 811**	**8 626**	**51 814**
Net book value 30 September 2008	**8 671**	**2 694**	**34 781**	**5 037**	**9 361**	**60 544**
The net book value of assets encumbered under instalment sale agreements is R18 927 456 (2007: R23 775 278).						
COMPANY						
Reconciliation of movement of property, plant and equipment for the year ended 30 September 2008						
Cost						
At beginning of year	**8 355**	**3 419**	**10 530**	**20 913**	**14 882**	**58 099**
Additions	**2 489**	**2 096**	**2 166**	**2 662**	**2 792**	**12 205**
Disposals	**(273)**	**–**	**(962)**	**–**	**(2)**	**(1 237)**
At end of year	**10 571**	**5 515**	**11 734**	**23 575**	**17 672**	**69 067**
Accumulated depreciation						
At beginning of year	**2 463**	**2 505**	**2 810**	**15 761**	**6 289**	**29 828**
Charge for year	**1 285**	**509**	**2 027**	**2 877**	**2 117**	**8 815**
Disposals	**–**	**–**	**(325)**	**–**	**(1)**	**(326)**
At end of year	**3 748**	**3 014**	**4 512**	**18 638**	**8 405**	**38 317**
Net book value 30 September 2008	**6 823**	**2 501**	**7 222**	**4 937**	**9 267**	**30 750**

The net book value of assets encumbered under instalment sale agreements is R1 341 932 (2007: R2 019 037).

The foreign exchange translation in 2008 resulted from the translation of a foreign subsidiary into SA Rand.

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.

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

	Land, buildings and leasehold improvements R000	Plant and machinery R000	Motor vehicles R000	Computer equipment R000	Furniture and fittings R000	Total R000
GROUP						
Reconciliation of movement of property, plant and equipment for the year ended 30 September 2007						
Cost						
At beginning of year	10 285	3 364	34 680	24 710	14 169	87 208
Additions	2 270	215	19 147	2 979	2 623	27 234
Disposals	(1 737)	(23)	(2 110)	(6 558)	(1 654)	(12 082)
Foreign exchange translation	–	–	–	(4)	(10)	(14)
At end of year	10 818	3 556	51 717	21 127	15 128	102 346
Accumulated depreciation						
At beginning of year	3 139	2 165	5 485	19 560	6 138	36 487
Charge for year	1 042	422	6 066	2 809	1 801	12 140
Disposals	(1 229)	(23)	(903)	(6 503)	(1 488)	(10 146)
Foreign exchange translation	–	–	–	(4)	(7)	(11)
At end of year	2 952	2 564	10 648	15 862	6 444	38 470
Net book value						
30 September 2007	7 866	992	41 069	5 265	8 684	63 876
COMPANY						
Reconciliation of movement of property, plant and equipment for the year ended 30 September 2007						
Cost						
At beginning of year	7 822	3 249	8 437	24 560	13 945	58 013
Additions	2 270	193	3 861	2 890	2 592	11 806
Disposals	(1 737)	(23)	(1 768)	(6 537)	(1 655)	(11 720)
At end of year	8 355	3 419	10 530	20 913	14 882	58 099
Accumulated depreciation						
At beginning of year	2 775	2 127	1 807	19 465	6 012	32 186
Charge for year	916	401	1 742	2 779	1 767	7 605
Disposals	(1 228)	(23)	(739)	(6 483)	(1 490)	(9 963)
At end of year	2 463	2 505	2 810	15 761	6 289	29 828
Net book value						
30 September 2007	5 892	914	7 720	5 152	8 593	28 271

Company 2007 R000	Company 2008 R000			Group 2008 R000	Group 2007 R000
		2.	**INVESTMENT PROPERTIES**		
1 836	**1 836**		Open market value at beginning of the year	**331**	331
–	**6 226**		Fair market value adjustment	**7 426**	–
–	**(6 226)**		Transfer to non-current assets held for sale	**(7 757)**	–
1 836	**1 836**		Open market value at end of the year	**–**	331
			Investment properties amounting to R331 000 (2007) were reclassified in 2008 to non-current assets held for sale. Investment properties were not revalued in the prior year due to unresolved suspensive conditions. During the current year, these conditions have been met or are expected to be met subsequent to year end and investment properties have been re-measured to fair market value. Management's intention is to sell certain investment properties and therefore they have been transferred to non-current assets held for sale at year end. Investment properties were revalued in September 2008 by Mr TD Cullinan. MIV (SA) Registered Valuer, SA Council of Valuers.		
		2.1	**NON-CURRENT ASSETS HELD FOR SALE**		
331	**6 557**		Investment properties at carrying value	**7 757**	–
		3.	**GOODWILL**		
10 805	**10 805**		Cost at beginning of the year	**23 721**	23 802
–	**–**		Foreign exchange adjustment	**349**	(81)
10 805	**10 805**		**Cost at end of year**	**24 070**	23 721
		4.	**INTANGIBLE ASSETS**		
			Computer software		
26 021	**30 371**		Cost at beginning of the year	**30 371**	26 021
4 701	**6 620**		Additions	**6 620**	4 701
(351)	**–**		Disposals	**–**	(351)
30 371	**36 992**		**Cost at the end of the year**	**36 992**	30 371
1 734	**4 842**		Accumulated amortisation at the beginning of the year	**4 842**	1 734
3 127	**4 445**		Charge for the year	**4 445**	3 127
(19)	**–**		Disposals	**–**	(19)
4 842	**9 287**		**Accumulated amortisation at the end of the year**	**9 287**	4 842
25 529	**27 705**		Net carrying value	**27 705**	25 529
			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		Book values of shares		Amounts owing by/(to) subsidiaries	
		2008 %	2007 %	**2008 R000**	2007 R000	**2008 R000**	2007 R000
Cullinan Properties Limited	R316 734	**100**	100	**317**	317	**(3 712)**	(3 340)
Motor en Industriële Eiendomme (Edms) Beperk	R2	**100**	100	*****	*	*****	*
P & R Travel (Pty) Limited	R100	**100**	80	**115**	*	*****	*
Thompsons Indaba Safaris 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	*****	*
				32 755	32 640	**(3 712)**	(3 340)

Note 1: All subsidiaries, other than Thompsons Gateway PTE Limited, are incorporated in South Africa.
Note 2: The loans from the subsidiaries are interest free, unsecured and have no fixed terms of repayment.
No repayments are expected within the next twelve months.
* – Signifies an amount less than R1000.

Indirectly held

	Amount of capital	Percentage held directly by holding company		Amounts owing by/(to) subsidiaries	
		2008 %	2007 %	**2008 R000**	2007 R000
Danse Kraal Investments (Pty) Limited	R200	**–**	85	**–**	–
Illovo Investments (Pty) Limited	R202	–	94	–	–

The above companies were deregistered in 2008.

6. INVESTMENT IN ASSOCIATE COMPANIES AND JOINT VENTURE

6.1 Associate companies

The group holds a 50% interest in Paddle Safaris (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 Zambian Touring Company and Paddle Safaris.

6. INVESTMENT IN ASSOCIATE COMPANIES AND JOINT VENTURE (continued)

6.1 Associate companies (continued)

	2008 R000	2007 R000
Share of the associates' balance sheet:		
Current assets	**7 584**	7 074
Non-current assets	**2 502**	1 366
Current liabilities	**(1 315)**	(3 894)
Non-current liabilities	**(7 468)**	(4 056)
Net assets	**1 303**	490
Share of associates' profit	**342**	676
Carrying amount of the investment	**1 220**	876

The share of profit from Associates was incorrectly reflected in the company in 2007.

Income from Associates has been separately disclosed on the face of the income statement, effectively reducing group revenue and group operating income by R676 000 (2007).

6.2 Joint venture

The company has a 50% interest in Underneath Trading (Pvt) Limited, a jointly controlled entity situated in Zimbabwe, and 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.

	2008 R000	2007 R000
Share of joint venture balance sheet		
Current assets	**2 468**	2 043
Non-current assets	**530**	–
Current liabilities	**(2 769)**	(1 007)
Non-current liabilities	**(93)**	(222)
Net assets	**136**	814
Share of joint venture profits	**710**	348
Carrying amount of investment	**1 058**	348

Income from the Joint Venture was not previously recognised in the Income Statement in the prior year. This has now been recognised, effectively increasing the Group income by R348 000 for 2007.

Company 2007 R000	Company 2008 R000			Group 2008 R000	Group 2007 R000
		7.	**DEFERRED TAX**		
3 030	**3 609**		Deferred tax asset	**3 608**	3 030
–	**–**		Deferred tax liability	**(2 386)**	(1 729)
3 030	**3 609**		**Net deferred tax asset at end of year**	**1 222**	1 301
3 573	**3 030**		Net deferred tax asset at beginning of year	**1 301**	2 332
543	**(579)**		Deferred tax expense (income) related to the origination and reversal of temporary differences	**79**	1 031
		7.1	Deferred tax asset comprises:		
(502)	**(489)**		Property, plant and equipment	**(489)**	(502)
322	**722**		Provision for bad debts	**722**	322
3 210	**3 376**		Other provisions	**3 375**	3 210
3 030	**3 609**			**3 608**	3 030
		7.2	Deferred tax liability comprises:		
–	**–**		Property, plant and equipment	**(2 826)**	(2 104)
–	**–**		Provision for bad debts	**233**	12
–	**–**		Other provisions	**207**	363
–	**–**			**(2 386)**	(1 729)
		8.	**INVENTORIES**		
10 420	**10 678**		Merchandise	**10 696**	10 420
(662)	**(771)**		Provision for obsolescence	**(771)**	(662)
9 758	**9 907**			**9 925**	9 758
250	**–**		Consumables	**–**	250
10 008	**9 907**			**9 925**	10 008
19 247	**19 385**		Inventory expensed during the year	**19 385**	19 247
		9.	**ACCOUNTS RECEIVABLE**		
			Financial instruments		
121 234	**104 272**		Trade receivables	**115 626**	137 802
5 792	**5 214**		Group receivables	**–**	–
1 856	**2 974**		Amounts owing by associates	**2 974**	1 856
–	**5 238**		Future travel payments	**5 238**	–
2 190	**2 311**		Hotel prebuy arrangement	**2 311**	2 190
4 518	**4 112**		Sundry receivables	**4 112**	4 518
5 773	**5 575**		Payments in advance	**5 588**	5 773
1 143	**314**		Other	**4 117**	1 821
142 506	**130 010**			**139 966**	153 960
			Non-financial Instruments		
1 860	**2 995**		VAT	**3 003**	1 865
1 860	**2 998**			**3 003**	1 865
144 366	**133 008**			**142 969**	155 825
			Prior year adjustment		
			Accounts receivable amounting to R500 000 have been written off in years prior to 2007 as they could not be substantiated. A debit balance of R2.243 million in accounts payable has been written off as it cannot be substantiated. The effect was to increase the opening accumulated loss (2007) by R2.743 million.		

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		9. ACCOUNTS RECEIVABLE (continued)		
		Accounts receivable were restated for 2007 for debit balances amounting to R19.561 million previously shown under accounts payable, and for credit balances amounting to R13.892 million previously shown in accounts receivable.		
		Accounts payable were restated for the equivalent amounts.		
		Trade receivables are non-interest bearing and terms range from 30 to 90 days.		
		10. CASH		
108 472	**110 043**	Cash on call	**130 169**	122 168
		11. SHARE CAPITAL		
		Authorised		
		Ordinary share capital		
34 124	**34 124**	3 412 375 874 ordinary shares of 1 cent each	**34 124**	34 124
		Preference share capital		
1 000	**1 000**	500 000 5.5% cumulative preference shares of R2 each	**1 000**	1 000
4	**4**	42 604 574 redeemable preference shares of 0.01 cent each	**4**	4
1	**1**	100 000 variable rate redeemable cumulative preference shares of 1 cent each	**1**	1
8 500	**8 500**	100 000 convertible variable rate cumulative redeemable preference shares of R85 each	**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		
7 184	**7 184**	718 355 204 (2007: 718 355 204) ordinary shares of 1 cent each	**7 184**	7 184
59 905	**59 905**	Share premium	**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 (2007: 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.		
1 000	**1 000**	Preference share capital	**1 000**	1 000
46	**46**	Share premium	**46**	46
(500)	**(500)**	Less: included in non-current liabilities	**(500)**	(500)
546	**546**		**546**	546

Company 2007 R000	Company 2008 R000			Group 2008 R000	Group 2007 R000
		11.	**SHARE CAPITAL (continued)** 500 000 5.5% cumulative preference shares of R2 each. The cumulative preference shareholders are entitled to the preference share premium of 10 cents per share only in the event of a winding up. Preference shares amounting to R500 000 (2007) were reclassified out of equity and into non current liabilities.		
		11.1	**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.		
		12.	**SHARE CAPITAL REDUCTION RESERVE FUND**		
20 876	**20 876**		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 with a par value 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
		13.	**CAPITAL REDEMPTION RESERVE FUND**		
4	**4**		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
		14.	**FOREIGN CURRENCY TRANSLATION RESERVE**		
–	**–**		The foreign currency translation reserve reflects the differences on the translation of a foreign subsidiary into the reporting currency	**(1 423)**	(1 063)
		15.	**LONG TERM LOANS**		
25 000	**25 000**		– Term loan	**25 000**	25 000
1 490	**784**		– Instalment sale liabilities	**14 056**	20 015
26 490	**25 784**			**39 056**	45 015

Company 2007 R000	Company 2008 R000			Group 2008 R000	Group 2007 R000
		15.	**LONG TERM LOANS (continued)**		
			Long-term portions		
25 000	**25 000**		– Term loan	**25 000**	25 000
1 035	**274**		– Instalment sale liabilities	**9 705**	18 061
26 035	**25 274**			**34 705**	43 061
			Short-term portion		
455	**510**		– Instalment sale liabilities	**4 351**	1 954
455	**510**			**4 351**	1 954
			The term loan is a 366 day revolving facility of R25.0 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 2.1%. The vehicles financed by these loans are encumbered until full repayment of the loan.		
		16.	**OPERATING LEASE ACCRUAL**		
			The operating lease accrual relates to the straight-lining of operating leases over the term of the leases.		
5 587	**8 337**		Long-term portion	**8 337**	5 595
110	**60**		Short-term portion	**68**	204
5 697	**8 397**			**8 405**	5 799
		17.	**ACCOUNTS PAYABLE**		
226 468	**221 888**		Trade creditors	**229 908**	240 264
10 832	**23 358**		Accruals	**27 619**	13 041
237 300	**245 246**			**257 527**	253 305
			Trade creditors and accruals are non interest bearing and terms range up to 90 days.		
			Accounts payable were reclassified during the year. Refer to note 9 and note 18.		
		18.	**PROVISIONS**		
			Leave pay		
4 732	**7 063**		Balance at the beginning of the year	**7 278**	5 859
	(279)		Unused amounts reversed during the period	**(279)**	
2 331	**899**		Arising during the year	**909**	1 419
–	**(28)**		Utilised during the year	**(28)**	–
7 063	**7 655**		Balance at the end of the year	**7 880**	7 278
			Provisions amounting to R7.278 million (2007) were previously included in accounts payable. Leave pay is expected to be utilised within three years.		

Company 2007 R000	Company 2008 R000			Group 2008 R000	Group 2007 R000
		19.	**REVENUE**		
			Comprises:		
270 299	**301 849**		Commissions	**360 618**	324 939
27 812	**29 321**		Sale of goods	**29 321**	27 812
298 111	**331 170**		**Turnover**	**389 939**	352 751
			Other revenue items:		
6 874	**7 200**		Finance income	**7 664**	6 965
304 985	**338 370**			**397 603**	359 716
			Company and group revenue has been reduced by R676 000 to adjust for income from associates incorrectly reflected in revenue for 2007.		
			Finance income has been restated in the prior year in the Company by R2.159 million (Group: R2.616 million) to adjust for finance costs previously offset against finance income.		
		20.	**OPERATING INCOME**		
298 111	**331 170**		Turnover	**389 939**	352 751
(19 247)	**(19 385)**		Cost of sales	**(47 705)**	(42 455)
278 864	**311 785**		Gross profit	**342 234**	310 296
(165 196)	**(206 497)**		Sales and marketing expenses	**(204 670)**	(167 468)
(82 516)	**(80 160)**		Administration expenses	**(82 542)**	(85 778)
(13 886)	**(19 952)**		Operating expenses	**(38 312)**	(29 667)
17 266	**5 176**		Operating income	**16 710**	27 383
			Disclosable items included in operating income:		
			Auditors' remuneration		
903	**1 098**		Audit fees	**1 376**	1 119
12	**–**		Other fees	**8**	12
915	**1 098**			**1 384**	1 131
			Depreciation		
916	**1 285**		Buildings and leasehold improvements	**1 409**	1 042
9 816	**11 975**		Plant, vehicles, equipment and intangible assets	**17 106**	14 225
10 732	**13 260**			**18 515**	15 267
1 388	**(3 904)**		(Profit)/loss on disposal of assets	**(4 247)**	1 406
			Rentals in respect of operating leases		
20 775	**22 299**		Land and buildings	**23 531**	21 605
9 408	**10 989**		Plant, vehicles and equipment	**14 225**	12 303
21 671	**22 642**			**23 874**	22 637
			Services rendered to third parties		
796	**414**		Management fees	**–**	–
–	**–**		Technical fees	**–**	2
796	**–**			**–**	2
20 375	**16 648**		Foreign exchange gains/(losses)	**16 844**	21 844
			Staff costs		
139 563	**156 833**		– Short-term	**174 671**	154 723
2 973	**2 796**		– Post employment (Provident Fund)	**2 951**	3 001
			Fair value adjustment		
–	**6 226**		– Investment property	**7 426**	–
404	**402**		Consulting fees paid	**412**	404
–	**–**		Management fees paid	**125**	2
3 878	**5 157**		Professional fees paid	**5 169**	3 912
			Finance income		
6 874	**7 200**		Bank	**7 664**	6 965
			Finance expense		
2 721	**3 659**		Bank	**3 658**	2 734
–	**–**		Instalment sale liability	**979**	290
2 721	**3 659**			**4 637**	3 024

21. DIRECTORS' EMOLUMENTS

Executive directors RAND	AN Viljoen	LA Pampallis	AA Thompson	Total
2008				
Management fees	**2 353 197**	**–**	**–**	**2 353 197**
Basic salary	**–**	**1 687 907**	**–**	**1 687 907**
Retirement fund contributions	**–**	**42 555**	**–**	**42 555**
	2 353 197	**1 730 462**	**–**	**4 083 659**
2007				
Management fees	1 572 000	–	–	1 572 000
Basic salary	–	1 304 440	1 489 883	2 794 323
Benefits	–	124 158	24 285	148 443
Retirement fund contributions	–	58 867	42 018	100 885
	1 572 000	1 487 465	1 556 186	4 615 651

Non-executive directors RAND	M Tollman	Total
2008		
Fees for services as a director	**360 000**	**360 000**
	360 000	**360 000**
2007		
Fees for services as a director	30 000	30 000
	30 000	30 000

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.

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		22. TAXATION		
7 805	**1 869**	Current South African normal taxation	**3 621**	9 938
(1 848)	**–**	– Prior year adjustment	**–**	(1 848)
905	**724**	Secondary Taxation on Companies	**724**	905
6 862	**2 594**		**4 345**	8 995
(1 305)	**(579)**	Deferred taxation	**79**	(817)
1 848	**–**	– Prior year adjustment	**–**	1 848
7 405	**2 013**		**4 424**	10 026
%	%		%	%
		The rate of taxation is reconciled as follows:		
29.0	**28.0**	Standard corporate taxation rate	**28.0**	29.0
1.5	**7.9**	Disallowable expenditure	**0.9**	0.2
4.2	**8.4**	Secondary Taxation on Companies	**3.5**	2.8
–	**(19.9)**	Exempt income	**(10.9)**	(0.9)
–	**(1.2)**	Deferred tax rate adjustment	**(0.2)**	–
34.7	**23.2**	**Effective rate**	**21.3**	31.1

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		23. EARNINGS PER ORDINARY SHARE		
		Reconciliation between attributable earnings and headline earnings		
		Earnings attributable to ordinary shareholders	**16 310**	22 267
		Adjustment to fair value of investment property	**(7 426)**	–
		Share of profit of associates	**(342)**	(676)
		Share of profit of joint venture	**(710)**	(348)
		(Profits)/losses on disposal of property, plant and equipment	**(4 247)**	1 406
		Total tax effect of the adjustment	**1 387**	(408)
		Total minority interest of the adjustment	**–**	–
		Headline earnings	**4 972**	22 241
		The calculation of attributable earnings per ordinary share, diluted earnings per ordinary share and headline earnings per ordinary share is based on the weighted average number of shares in issue during the year of 718 355 204 (2007: 718 355 204).		
		Earnings per share (cents)	**2.27**	3.10
		Diluted earnings per share (cents)	**2.27**	3.10
		Headline earnings per share (cents)	**0.69**	3.10
		Diluted headline earnings per share (cents)	**0.69**	3.10
		Reconciliation of prior year headline earnings per share		
		– Headline earnings per share as previously reflected		3.19
		– Less: Share of profit of Associates previously shown in attributable earnings		0.09
		Restated headline earnings per share		3.10
		Reconciliation of prior year earnings per share		
		– Earnings per share as previously reflected		3.05
		– Add: Share of profit of Joint Ventures not previously accounted for		0.05
		Restated earnings per share		3.10

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		24. NOTES TO THE CASH FLOW STATEMENT		
		24.1 Cash generated/(utilised) by operations		
17 266	**5 176**	Operating income	**16 710**	27 383
		Adjustments for:		
		– Unrealised foreign exchange (profit)/losses	**(420)**	339
–	**(6 226)**	– Fair market adjustment to investment properties	**(7 426)**	–
10 732	**13 260**	– Depreciation	**18 515**	15 267
		– (Profit)/Loss on disposal of property,		
1 388	**(3 905)**	plant and equipment	**(4 247)**	1 406
2 963	**2 700**	– Operating lease provision	**2 606**	3 065
–	**592**	– Increase in provisions	**602**	–
32 349	**11 597**	Cash generated before working capital changes	**26 340**	47 460
1 034	**101**	Decrease/(Increase) in inventories	**83**	1 034
(39 727)	**11 358**	Decrease/(Increase) in accounts receivable	**12 856**	(47 820)
24 019	**7 946**	(Decrease)/Increase in accounts payable	**4 222**	31 214
17 675	**31 002**	Cash generated by operations	**43 501**	31 888
		24.2 Preference dividends paid		
(14)	**(14)**	Amount outstanding at beginning of period	**(14)**	(14)
(55)	**(55)**	Income statement charge	**(55)**	(55)
14	**14**	Amount outstanding at end of period	**14**	14
(55)	**(55)**	Preference dividend paid	**(55)**	(55)
		24.3 Taxation paid		
(7 494)	**(7 805)**	Amount outstanding at beginning of period	**(7 736)**	(7 621)
(6 862)	**(2 594)**	Income statement charge (Note 22)	**(4 345)**	(8 995)
7 805	**(877)**	Amount outstanding at end of period	**(149)**	7 737
(6 551)	**(11 276)**	Taxation paid	**(12 230)**	(8 879)
(5 646)	**(10 552)**	Normal taxation	**(11 506)**	(7 974)
(905)	**(724)**	Secondary Taxation on Companies	**(724)**	(905)
		25. COMMITMENTS AND GUARANTEES		
		25.1 Commitments in respect of capital expenditure		
2 685	**1 307**	Contracted	**1 307**	2 685
		These commitments will be settled with cash generated from normal operating activities.		
2 685	**1 307**		**1 307**	2 685

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
		25. COMMITMENTS AND GUARANTEES (continued)		
		25.2 Operating lease commitments		
16 754	**18 689**	Within 1 year	**18 776**	17 798
60 236	**61 064**	2 – 5 years	**61 064**	60 323
45 116	**40 057**	> 5 years	**40 057**	45 116
		25.3 Finance lease commitments		
454	**510**	Within 1 year	**4 351**	1 953
1 035	**274**	2 – 5 years	**9 705**	18 060
–	**–**	> 5 years	**–**	–
		25.4 Guarantees		
8 000	**8 000**	Bank guarantees in favour of creditors	**8 000**	8 000
		The group provides guarantees to airlines, customs, parks boards and other suppliers.		

26. 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.

No provision has been made other than for legal costs to date. No claim has been made against the company and the amount of any potential claim cannot be estimated with certainty. A claim in this regard will be opposed.

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 the 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.

Company 2007 R000	Company 2008 R000		Group 2008 R000	Group 2007 R000
2 973	**2 797**	Contributions recognised as an expense during the year	**2 951**	3 002

27. FINANCIAL INSTRUMENTS

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

GROUP

Assets as per balance sheet	Loans and receivables	Assets at fair value through profit and loss	Non-financial instrument	Total
2008				
Accounts receivable	**139 966**	**–**	**3 003**	**142 969**
Cash resources	**130 169**	**–**	**–**	**130 169**
Total	**270 135**	**–**	**3 003**	**273 138**
2007				
Accounts receivable	153 960	–	1 865	155 825
Cash resources	122 168	–	–	122 168
Total	276 128	–	1 865	277 993

COMPANY

Assets as per balance sheet	Loans and receivables	Assets at fair value through profit and loss	Non-financial instrument	Total
2008				
Accounts receivable	**130 010**	**–**	**2 998**	**133 008**
Cash resources	**110 043**	**–**	**–**	**110 043**
Total	**240 053**	**–**	**2 998**	**243 051**
2007				
Accounts receivable	142 506	–	1 860	144 366
Cash resources	108 472	–	–	108 472
Total	250 978	–	1 860	252 838

GROUP

Liabilities as per balance sheet	Other financial liabilities	Non-financial instruments	Total
2008			
Preference shares	**500**	**–**	**500**
Long-term loans	**39 056**	**–**	**39 056**
Accounts payable	**257 527**	**–**	**257 527**
Preference dividends	**14**	**–**	**14**
Total	**297 097**	**–**	**297 097**
2007			
Preference shares	500	–	500
Long-term loans	45 015	–	45 015
Accounts payable	253 305	–	253 305
Preference dividends	14	–	14
Total	298 834	–	298 834

COMPANY

Liabilities as per balance sheet	Other financial liabilities	Non-financial instruments	Total
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	**275 256**	**–**	**275 256**
2007			
Preference shares	500	–	500
Loans from subsidiaries	3 340	–	3 340
Long-term loans	26 490	–	26 490
Accounts payable	237 300	–	237 300
Preference dividends	14	–	14
Total	267 644	–	267 644

Financial risk management

The group is exposed to foreign currency risk, interest rate risk, credit risk and liquidity risk through its operations. The exposures 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.

27. FINANCIAL INSTRUMENTS (continued)

27.1 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:

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

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

	GBP ('000)	MUR ('000)	USD ('000)	HKD ('000)	Euro ('000)	AUD ('000)	THB ('000)	JPY ('000)	MYR ('000)	SGD ('000)	NZD ('000)	BWP ('000)	CAD ('000)	CHF ('000)	NMD ('000)
Accounts receivable	–	140	1 901	–	16	–	–	–	–		–	–	–	–	–
Accounts payable	(294)	(33 585)	(4 910)	(864)	(654)	(627)	(11 367)	–	(253)	(178)	(14)	(134)	(4)	(10)	(3)
Net cash balances	164	29 654	4 312	–	713	–	–	–	–	–	–	–	–	–	–
Net (liabilities)/ assets before forward exchange contract	(130)	(3 791)	1 303	(864)	75	(627)	(11 367)	–	(253)	(178)	(14)	(134)	(4)	(10)	(3)

27.1.2 *Open forward exchange contracts at year end*

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

	GBP ('000)	MUR ('000)	USD ('000)	HKD ('000)	Euro ('000)	AUD ('000)	THB ('000)	JPY ('000)	MYR ('000)	SGD ('000)	NZD ('000)	BWP ('000)	CAD ('000)	CHF ('000)	NMD ('000)
Contracts to buy	37	–	102	350	281	120	–	596	–	100	–	–	–	–	–
Contracts to sell	–	–	(4 350)	–	–	–	–	–	–	–	–	–	–	–	–
Net commitment	37	–	(4 248)	350	281	120	–	596	–	100	–	–	–	–	–

	GBP	MUR	USD	HKD	Euro	AUD	THB	JPY	MYR	SGD	NZD	BWP	CAD	CHF	NMD
Maturity date range															
from	20/10/08	–	1/10/08	8/10/08	3/10/08	8/10/08	–	24/10/08	–	8/10/08	–	–	–	–	–
to	17/11/08	–	28/3/09	8/10/08	3/02/09	10/10/08	–	31/10/08	–	8/10/08	–	–	–	–	–
Maturity date range															
from	14.73	–	7.75	0.98	11.54	6.94	–	12.42	–	5.60	–	–	–	–	–
to	14.80	–	8.30	0.98	13.28	6.66	–	12.46	–	5.60	–	–	–	–	–

27.1.3 *(Unhedged)/Overcommitted foreign currency position at year-end*

	GBP ('000)	MUR ('000)	USD ('000)	HKD ('000)	Euro ('000)	AUD ('000)	THB ('000)	JPY ('000)	MYR ('000)	SGD ('000)	NZD ('000)	BWP ('000)	CAD ('000)	CHF ('000)	NMD ('000)
Total	(93)	(3 791)	(2 945)	(514)	356	(507)	(11 367)	596	(253)	(78)	(14)	(134)	(4)	(10)	(3)

27.1.4 *Spot rate at year-end*

	GBP	MUR	USD	HKD	Euro	AUD	THB	JPY	MYR	SGD	NZD	BWP	CAD	CHF	NMD
Total	15.1708	3.2790	8.390	0.9119	11.9948	0.1455	3 7879	12.3486	0.3600	0.1653	0.1712	0.8137	0.1196	0.1297	1.0000

27. FINANCIAL INSTRUMENTS (continued)

27.1 Foreign currency management (continued)

27.1.5 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	Increase/(decrease) in exchange rate	Group R000	Company R000
2008				
– Pound Sterling	**15.1708**	**+10c**	**8**	**8**
		-10c	**(8)**	**(8)**
– US Dollar	**8.3900**	**+50c**	**(1 010)**	**(1 010)**
		-50c	**1 010**	**1 010**
– Euro	**11.9948**	**+10c**	**108**	**108**
		-10c	**(108)**	**(108)**
2007				
– Pound Sterling	14.1511	+10c	16	16
		-10c	(16)	(16)
– US Dollar	6.9640	+50c	31	31
		-50c	(31)	(31)
– Euro	9.9109	+10c	(153)	(153)
		-10c	153	153
– Japanese Yen	16.4291	+10c	(25)	(25)
		-10c	25	25

27.2 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 11.5% (2007: 10.1%). Interest rate and exposure on other borrowings is disclosed in note 15.

At 30 September 2008, if interest rates had been 1% higher (2007: 1%), with all other variables held constant, post tax profit would have been R258 000 (2007: R385 000) higher for the group and R303 000 (2007: R406 000) higher for the company.

27. FINANCIAL INSTRUMENTS (continued)

27.3 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, 10 and 27.1. The group manages this 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.

27.3.1 Credit risk disclosures

2008	Total R000	0 – 30 Days R000	31 – 60 Days R000	61 – 120 Days R000	>120 Days R000
Past due but not impaired trade receivables	**37 105**	**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**				
Exposure by industry					
– Tourism and Leisure	**95 785**				
– Other	**3 695**				

2007					
Past due but not impaired trade receivables	55 591	34 886	8 013	11 166	1 526
Impairment					
– Balance at beginning of the year	1 895				
– Increase/(Decrease) in provision	704				
– Balance at end of the year	2 599				
Exposure by geographic area					
– Singapore	11 129				
– South Africa	111 923				
Exposure by industry					
– Tourism and Leisure	119 446				
– Other	3 606				

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.

27.4 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 the 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 R52.9 million.

27.4.1 Liquidity risk disclosures

Maturity analysis

		Contractual cash flows						
Group 2008	**Carrying amount**	**Total R000**	**On demand R000**	**6 mths R000**	**6 – 12 mths R000**	**1 – 2 years R000**	**2 – 5 years R000**	**> 5 years R000**
Preference shares								
– equity	**546**	**546**	**–**	**–**	**–**	**–**	**–**	**546**
– liability	**500**	**500**	**–**	**–**	**–**	**–**	**–**	**500**
Instalment sale liability	**14 056**	**17 940**	**–**	**3 007**	**2 898**	**4 627**	**7 408**	**–**
Long-term loans	**25 000**	**25 000**	**–**	**–**	**–**	**25 000**	**–**	**–**
Accounts payable	**257 527**	**257 527**	**–**	**257 527**	**–**	**–**	**–**	**–**
Preference dividends	**14**	**14**	**–**	**14**	**–**	**–**	**–**	**–**
2007								
Preference shares								
– equity	546	546	–	–	–	–	–	546
– liability	500	500	–	–	–	–	–	500
Long-term loans	25 000	25 000	–	–	–	25 000	–	–
Instalment sale liability	20 015	26 563	–	978	975	5 954	18 656	–
Accounts payable	253 305	253 305	–	253 305	–	–	–	–
Preference dividends	14	14	–	14	–	–	–	–

Maturity analysis

		Contractual cash flows						
Company 2008	**Carrying amount**	**Total R000**	**On demand R000**	**6 mths R000**	**6 – 12 mths R000**	**1 – 2 years R000**	**2 – 5 years R000**	**> 5 years R000**
Preference shares								
– equity	**546**	**546**	**–**	**–**	**–**	**–**	**–**	**546**
– liability	**500**	**500**	**–**	**–**	**–**	**–**	**–**	**500**
Loans from subsidiaries	**3 712**	**3 712**	**–**	**–**	**–**	**–**	**–**	**3 712**
Long-term loans	**25 000**	**25 000**	**–**	**–**	**–**	**25 000**	**–**	**–**
Instalment sale liability	**784**	**1 189**	**–**	**310**	**310**	**569**	**–**	**–**
Accounts payable	**245 246**	**245 246**	**–**	**245 246**	**–**	**–**	**–**	**–**
Preference dividends	**14**	**14**	**–**	**14**	**–**	**–**	**–**	**–**
2007								
Preference shares								
– equity	546	546	–	–	–	–	–	546
– liability	500	500	–	–	–	–	–	500
Loans from subsidiaries	3 340	3 340	–	–	–	–	–	3 340
Long-term loans	25 000	25 000	–	–	–	25 000	–	–
Instalment sale liability	1 490	1 767	–	303	303	1 161	–	–
Accounts payable	237 300	237 300	–	237 300	–	–	–	–
Preference dividends	14	14	–	14	–	–	–	–

27.5 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.

28. SEGMENTAL ANALYSIS

Definitions

1. Segment assets

Segment assets include all assets except for deferred tax assets and investments in associates and joint ventures.

2. Segment liabilities

Segment liabilities comprise accounts payable and provisions and exclude items such as tax liabilities, long-term loans and preference shares.

3. Capital expenditure

Capital expenditure comprises additions to property, plant and equipment, investment properties, goodwill and intangible assets.

Primary business segment analysis

The group is organised into two business segments:

– Travel and tourism
– Yachting and diving accessories (Manex)

	30 September 2008			
	Travel and Tourism R000	**Yachting and Diving R000**	**Adjustments R000**	**Total R000**
Turnover	**360 618**	**29 321**	**–**	**389 939**
Operating profit/loss	**15 472**	**1 238**	**–**	**16 710**
Other information				
Assets	**395 925**	**8104**	**5 886**	**409 915**
Liabilities	**273 067**	**5 110**	**38 332**	**316 509**
Capital expenditure				
– Property, plant and equipment	**13 095**	**427**	**–**	**13 522**
– Intangible assets	**6 612**	**8**	**–**	**6 620**
Depreciation	**18 347**	**168**	**–**	**18 515**

28. SEGMENTAL ANALYSIS (continued)

	30 September 2007 Travel and Tourism R000	Yachting and Diving R000	Adjustments R000	Total R000
Turnover	324 939	27 812		352 751
Operating profit/loss	26 985	398		27 383
Other information				
Assets	390 131	11 858	4 254	406 243
Liabilities	263 638	4 712	53 557	321 907
Capital expenditure				
– Property, plant and equipment	26 978	256		27 234
– Intangible assets	4 701	–		4 701
Depreciation	15 053	214		15 267

Long term loans and deferred tax liability have been reclassified out of segment liabilities.

Secondary geographical segment analysis

The group is organised into two geographical segments:

– South Africa
– Other

	30 September 2008			
	South Africa R000	**Other R000**	**Adjustment R000**	**Total R000**
Turnover	**385 395**	**4 544**	**–**	**389 939**
Other information				
Assets	**402 680**	**7 235**	**–**	**409 915**
Capital expenditure				
– Property, plant and equipment	**13 522**	**–**	**–**	**13 522**
– Intangible assets	**6 620**	**–**	**–**	**6 620**

	30 September 2007			
	South Africa R000	Other R000	Adjustment R000	Total R000
Turnover	347 789	4 962		352 751
Other information				
Assets	391 400	10 937	3 906	406 243
Capital expenditure				
– Property, plant and equipment	27 202	32		27 234
– Intangible assets	4 701	–		4 701

29. RELATED PARTIES

29.1 Identity of related parties

An analysis of the shareholding as at 30 September 2008 is presented on pages 4 and 5.

The subsidiaries of the group including any outstanding balances owing are identified on page 33.

The directors are listed in the Directors' report on page 15.

The associate companies and joint venture partners of the group are identified on pages 33 and 34.

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.

29.2 Material related party transactions

Directors' emoluments see note 21
Rentals paid to Motolla Property Investments (Pty) Limited amounted to R4 011 277 (2007: R4 462 869).

29.2.1 Transactions with related parties in the group

Management fees amounting to R414 060 (2007: R744 060) were charged by Cullinan Holdings Limited to Thompsons Indaba Safaris KZN (Pty) Limited during the year.

Commission on sales to subsidiaries amounted to R2 218 922 (2007: R1 500 055)

Purchases from associates amounted to R2 023 227 (2007: R2 073 033).

Purchases from a joint venture amounted to R5 117 793 (2007: R4 691 762).

29.3 Outstanding balances are disclosed in notes 5 and 6.

30. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 2008 and 30 September 2007 except as noted in note 26.

31. BUSINESS COMBINATIONS

On 1 October 2008 the business of Central Boating (Pty) Ltd was purchased for R17.44 million.

Details of the net assets acquired and goodwill are as follows:

	R'000
Purchase consideration	
Cash paid	17 440
Fair value of net assets acquired	7 440
Goodwill	10 000

The goodwill is attributable to synergies expected to arise between Manex and Central Boating (Pty) Limited.

31. BUSINESS COMBINATIONS (continued)

The assets and liabilities of Central Boating (Pty) Limited as at 30 September 2008 arising from acquisition are as follows:

	Fair value R'000	Acquiree's carrying amount R'000
Inventories	**7 440**	**7 440**
Net assets acquired	**7 440**	**7 440**
Purchase consideration settled in cash	**17 440**	**17 440**
Cash outflow position	**(17 440)**	**(17 440)**

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 2008
Annual general meeting	15 April 2009

2008 financial year reports and profit statements	**Date of publication**
Half-yearly interim report	June 2008
Results for the year ended 30 September 2008	December 2008
Annual financial statements	March 2009

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

NOTICE OF MEETING

Notice is hereby given that the 104th 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, 15 April 2009 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. To receive the annual financial statements for the year ended 30 September 2008, including the directors' report and the report of the auditors thereon.

2. To re-elect directors:

2.1 To re-elect VET O'Hana who retires in accordance with the company's Articles of Association, and being eligible, offers herself for re-election.

2.2 To re-elect M Tollman who retires in accordance with the company's Articles of Association, and being eligible, offers himself for re-election.

3. To place the unissued shares under the control of the directors.

4. To re-appoint Mazars Moores Rowland as auditors of the company.

5. To authorise the directors to approve the auditors' remuneration.

By order of the board

DK Standage
Group Secretary

Johannesburg

11 December 2008

Designed by motiv
Printed by ince

C U L L I N A N H O L D I N G S L I M I T E D
P R O X Y F O R M

(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 15 April 2009 at 10:00 and at any adjournment thereof, as indicated below:

Ordinary Resolutions	**In favour of***	**Against***	**Abstain***
1. Adopt annual financial statements			
2. Re-election of directors: **2.1** To re-elect VET O'Hana who retires in accordance with the company's Articles of Association and offers herself for re-election			
2.2 To re-elect M Tollman who retires in accordance with the company's Articles of Association and offers himself for re-election			
3. Place the unissued shares under the control of the directors			
4. Re-appoint Mazars Moores Rowland as auditors of the company			
5. Authority to authorise the directors to approve the auditors' remuneration			

**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 ______________________ 2009

Signature ____

Assisted by (if applicable) ____

Capacity ____

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

CULLINAN HOLDINGS LIMITED
PROXY FORM

NOTES:

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 of correction made to this form of proxy must be initialled by the signatory/(ies).

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.