CONTENTS

Cullinan Holdings Limited presents its integrated annual report to stakeholders for the 2017 financial year.

SCOPE AND BOUNDARY

The integrated annual report covers both financial and non-financial activities of the Group for the period 1 October 2016 to 30 September 2017.

The annual financial statements comply with International Financial Reporting Standards and management has considered the International Integrated Reporting Framework guiding principles and the principles set out in King IV as the basis of preparation of this fourth integrated report.

ASSURANCE

No external assurance has been provided on the integrated report. The Group's external auditors, Mazars, have provided external assurance on the annual financial statements, in compliance with the Companies Act of South Africa, which were prepared by D Standage CA(SA), financial director (refer to the Independent Auditors' Report on page 27).

APPROVAL

As required by King IV, the Audit Committee has reviewed the integrated annual report. The Board acknowledges its responsibility to ensure the integrity of the integrated report and the directors confirm that they have assessed the content and believe it is a fair representation of the integrated performance of the Group. The integrated report was authorised for issue on 15 December 2017.

Michael Tollman
Chief Executive Officer

David Standage
Financial Director

15 December 2017

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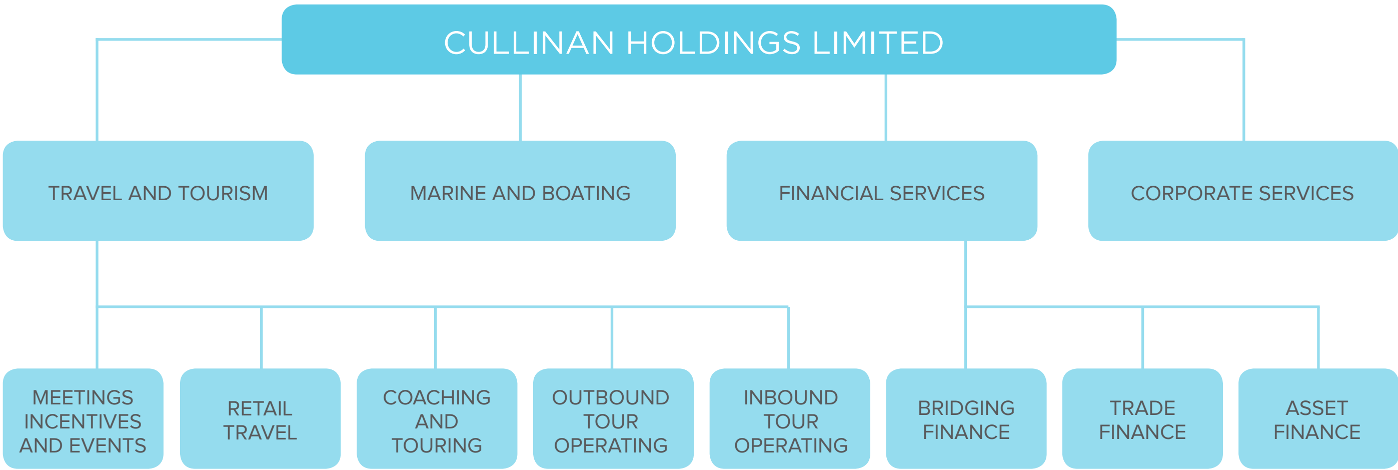
GROUP INFORMATION



TRAVEL AND TOURISM SEGMENT

OUTBOUND TOUR OPERATORS

Outbound tour operators (wholesalers) package travel arrangements for sale through the travel trade, primarily through travel agencies. The wholesale travel division of Cullinan consists of two brands, dealing with outbound travel. The brands are well-established in Southern Africa and recognised as industry leaders.

THOMPSONS HOLIDAYS

Thompsons Holidays is the leading outbound travel wholesaler in Southern Africa, selling leisure travel packages through travel agencies situated throughout Southern Africa. The division has offices in Johannesburg, Durban and Cape Town and offers packages for destinations throughout the world. Thompsons was established in 1978 and, in 2018, will celebrate 40 years of excellence in travel.

ISLAND LIGHT HOLIDAYS

Cullinan is the appointed general sales agency and reservations provider for Island Light Holidays. Island Light Holidays has the exclusive agency to sell nine key hotels in the Indian Ocean islands, a major market for the South African travel trade.

INBOUND TOUR OPERATORS

Inbound tour operators (wholesalers) package travel arrangements for sale through the international travel trade, primarily through foreign tour operators, who sell Southern Africa as a destination to international tourists. Cullinan is proud to own a number of Southern Africa's premier inbound operators.

THOMPSONS AFRICA

Established in 1992 with the opening-up of South Africa as a tourist destination, Thompsons Africa has developed into one of the leading inbound destination management company's in Southern Africa, supplying fully-inclusive travel arrangements throughout Southern Africa to tour operators worldwide. The division has its head of office in Durban. The division also employs staff in all major tourist hubs and airports to ensure seamless service delivery to passengers. Thompsons Africa also operates the largest range of guaranteed departure guided holidays of any operator in Southern Africa.

PLANET AFRICA TOURS

Planet Africa is the market leader in bringing Japanese and tourists to destinations in Southern Africa. The division is jointly owned and run by a team of Japanese travel professionals. Planet Africa added a corporate travel agency to its portfolio in 2010. This agency deals with South African-based Japanese companies and individuals.

SPRINGBOK ATLAS TOURING AND SAFARIS

Springbok Atlas Touring and Safaris started providing inbound tourism services in South Africa 65 years ago. It has developed into one of the leading inbound destination management company's selling Southern Africa travel to tour operators worldwide. The division has its head office in Cape Town.

GROSVENOR TOURS

Grosvenor Tours was established over 50 years ago to offer travel services to Africa. The business specialises in tailor-made, fully supported incentive programmes and events. In addition, Grosvenor has partnered with a specialist Conference organiser to provide world class conferencing services. The business is based in Cape Town.

IKAPA INBOUND TOURS

Ikapa inbound tours division is a niche inbound tour operator and destination management company supplying group and individual travel arrangements to foreign tour operators. The business is based in Cape Town.

THOMPSONS GATEWAY

Gateway is a sales agency which is 70% owned by Cullinan. It is located in Singapore and specialises in incentive, group and individual travel from South East Asia to Southern Africa. Its sphere of operation includes Singapore, Malaysia, Thailand, Indonesia and the Philippines.

AFRICAN DIAMOND TOURS AND INCENTIVES

African Diamond Tours and Incentives is an inbound tour operator focused on bringing Turkish tourists into Southern Africa. The division is jointly owned and run by a team of Turkish travel professionals.

CULLINAN NAMIBIA TOURS AND SAFARIS

Cullinan Namibia was established in 2017 to provide inbound travel services into Namibia. The business will service existing international customers who had previously arranged their Namibian travel through our South Africa tour operators, while also looking to develop its own client base.

RETAIL TRAVEL

The travel agency division of Cullinan operates in two areas of retail travel. Leisure travel services are provided through Pentravel and Thompsons Leisure Travel, while corporate travel is handled by Thompsons Corporate Travel or Visions, for special corporate events and incentives.

PENTRAVEL

This well-known retail travel agency has 31 outlets located in premier shopping malls across South Africa. Pentravel distributes and sells reputable airlines and leisure travel brands, including those of its sister division, Thompsons Holidays.

THOMPSONS CORPORATE TRAVEL

This division offers a specialist approach to providing travel arrangements for the corporate traveller. Well-known and highly regarded in the business travel community, it is conveniently located in Johannesburg, Durban and Cape Town. This division offers professional travel services to corporate customers for events, corporate groups and incentives.

THOMPSONS LEISURE TRAVEL

This travel agency is focused on promoting the sales of the Thompsons Holidays product range to the South African travelling public. The division has offices in Johannesburg, Durban and Cape Town.

COACHING AND TOURING

The coaching and touring division runs a variety of brands in most of the major tourism hubs in Southern Africa. The business has traditionally been focused on providing coach charter and touring to the inbound tourism market but with the acquisition of Springbok Atlas coach charter in 2013, the customer profile now includes corporate and domestic leisure customers. The touring business comprises day tours, safaris and transfers.

HYLTON ROSS

Hylton Ross Exclusive Touring has been providing luxury touring services for over 30 years. Hylton Ross operates coach charter throughout South Africa and operates from 7 depots located at key locations within South Africa. Although the core business lies with the charter of luxury coaches, Hylton Ross Exclusive Touring is also renowned for top-quality guided day tours throughout South Africa. In addition to the three depots as mentioned above, Hylton Ross Safari Touring has offices servicing the Kruger Park and Hluhluwe/Imfolozi, providing game drives and safaris. The addition of Eastgate Safaris, which operates in Hoedspruit (located near the northern Kruger Park) in 2013, has increased the footprint of the safari business.

IKAPA COACH CHARTER

Ikapa Coach Charter was acquired in 2011 and runs a fleet of luxury coaches out of depots in Cape Town and Johannesburg.

SPRINGBOK ATLAS LUXURY CHARTER

Springbok Atlas Luxury Charter provides exclusive coach charter to a mix of corporate and leisure customers, while also servicing a substantial inbound tour operator clientele. The business operates a fleet of coaches throughout Southern Africa, with depots in Johannesburg, Cape Town, Durban and Windhoek.

CHOBEZI

Chobezi operates game drives, boat cruises and excursions in and around the northern area of the Chobe National Park, Botswana.

MEETINGS, INCENTIVES, CONFERENCES AND EVENTS

CULLINAN OUTBOUND TOURISM GROUPS AND MICE

Cullinan Outbound Tourism Groups and MICE is a specialist division focused on providing tailor-made group tours to worldwide destinations.

THOMPSONS MEETING AND INCENTIVES

Thompsons meetings and incentives create and manage incentives and corporate events for various clients across various industries.

EDUSPORT TRAVEL

Edusport Travel was established 22 years ago. The company specialises in incentives, sports travel and events. Over the years, the company has been appointed as an official operator for many major sporting events including a number of rugby world cups, soccer world cups, cricket world cups and many other major sporting events.

PEAK INCENTIVES

Peak Incentives is a specialist travel company that looks after the travel needs of various corporates. This includes Incentive Travel, executive weekend get-aways, company conferences and events and an online rewards programme. Peak represents a number of specialist agencies offering various travel activities locally and abroad.

MARINE AND BOATING SEGMENT

The marine division supplies marine and boating equipment to boat builders (OEM) and wholesalers throughout South Africa. In addition, the division has two retail shops located in Cape Town.

CENTRAL BOATING

Central Boating was established 35 years ago. It is a specialist distributor of premier boating equipment brands throughout South Africa. Central Boating represents some of the major boating equipment brands such as Musto and Lewmar.

MANEX MARINE

Manex has, over the past 45 years, been one of South Africa's leading suppliers to the yachting, yacht-building, powerboat and scuba-diving industries. The business distributes many well-known yachting and diving brands such as Aqua Lung.

FINANCIAL SERVICES SEGMENT

CULLINAN FINANCIAL SERVICES

Cullinan commenced trading in the financial services division in 2012 with the acquisition of Glacier Enterprises (Pty) Limited. Cullinan Financial Services provides financial services to individuals and companies in the form of trade finance, term loans and bridging finance.

GLACIER ENTERPRISES

Glacier Enterprises provides trade finance and term loans to a variety of clientele. The business is based in Cape Town.

CHESTER FINANCE

Chester Finance provides short-term working capital and financial backing to entrepreneurs involved in trading and manufacturing businesses. Chester Finance has successfully been designing trade finance solutions for their clients for more than 20 years. Chester Finance is based in Johannesburg.

CORPORATE SERVICES SEGMENT

CULLINAN BUSINESS DEVELOPMENT

This division was established in 2009 to focus on various projects to support community development in South Africa. The main areas of focus have been enterprise development through partnering with small emerging businesses, community assistance and skills development and training in local communities.

CULLINAN HOLDINGS LIMITED

This division provides central services to the group. This includes group information technology services, treasury (cash management and foreign exchange management), group payroll and group financial services.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Michael Tollman (56)
Chief Executive Officer
Appointed 20/04/2006

Michael Tollman holds a Bachelor of Commerce degree from the University of Cape Town and is a South African Chartered Accountant. He brings extensive experience to Cullinan through his worldwide involvement in the travel and leisure industry. In particular, he brings knowledge and experience to the board in the areas of finance and acquisitions. Michael is a director of a number of companies including Bouchard Finlayson Wine Estate and the Red Carnation group of hotels and he is a director of Wilderness Holdings Limited. Michael has been the Chief Executive Officer for 9 years.

Linda Pampallis (60)
Executive Director
Chief Executive Officer of the Thompsons Africa division
Appointed 01/01/2004

Linda Pampallis brings extensive experience to the travel group through her involvement in the Southern African travel industry for the past 39 years. Linda was one of the original shareholders in Thompsons Tours (now Thompsons Holidays) and, in 1992, Linda started Thompsons Africa, the leading inbound tour operator in Southern Africa. In 1998, when Cullinan acquired the Thompsons business, Linda joined the Cullinan Group. With effect from December 2017, Linda resigned as Chief Executive Officer of Thompsons Africa. She will however remain on the board of Cullinan Holdings Limited and remain on the Executive Committee of Thompsons Africa. A new CEO designate was appointed with effect from 13 October 2017.

David Standage (51)
Group Financial Director
Appointed 18/03/2009

David Standage has a Bachelor of Commerce degree from the University of Natal (Durban) and is a South African Chartered Accountant. David joined the Thompsons group in 1998 as Financial Manager and then Chief Financial Officer of the Africa (Inbound) division. He managed the Thompsons Touring and Safaris division for two years from 2006 to 2008 before being appointed as the Cullinan Group Financial Director in March 2009.

Lance Tollman (58)
Executive Director
Appointed 07/03/2016

Lance Tollman has a Bachelor or Art (Economics) and has worked in retail since starting his career in 1981 with Marks & Spencer. On returning to South Africa, Lance joined Woolworths as a merchandiser, leaving to form a business forms company which he subsequently sold in 2004. Lance had interests in a number of businesses before joining Cullinan as the CEO of Ikapa Inbound Tours when this was acquired by Cullinan. Lance joined Glacier Enterprises as sales director in 2012 and was appointed as CEO in 2015.

NON-EXECUTIVE DIRECTORS

David Hosking (64)
Non-executive director
Chairman of the Remuneration Committee
Appointed 18/07/2002

David Hosking currently oversees the business of The Travel Corporation in Australia. These businesses include Coach Touring, River Touring and many other tourism related businesses. David was previously the CEO of Contiki Worldwide and has extensive knowledge of touring worldwide, setting up programmes in Europe, USA, Canada, Australia, New Zealand, Asia and Africa.

Gavin Tollman (54)

Non-executive director
Chairman
Appointed 16/07/2008

Gavin Tollman has had a far-reaching executive career in the travel industry which has included managing both hotel companies and tour operators. Currently he is the CEO of Trafalgar Tours, a global coach tour operator. Gavin also serves on various industry boards and focus groups. Gavin was appointed as Chairman of the Cullinan Group in December 2013.

Rudewaan Arendse (48)

Independent non-executive director
Chairman of the Audit & Risk Committee, member of the Remuneration Committee and Lead Independent Director
Appointed 15/12/2009

Rudewaan Arendse holds a BA (Honours) degree. Rudewaan has had significant consulting experience, particularly in project management in the regional and national government spheres. Rudewaan holds numerous accolades including the following honours:

- Visiting Scholarship at the Massachusetts Institute of Technology (MIT)
- Oliver Tambo/Kaiser Foundation Fellowship in Public Health Leadership
- United States International Visitor Leadership Program (US Sate Department)
- UK Overseas Development Agency Grant for Health Facilities Planning, Design and Management
- European Union Erasmus Mundus Scholarship, and has participated in the German Academic Exchange Service (DAAD) program

Mervyn Burton (58)

Independent non-executive director
Member of the Audit & Risk Committee
Appointed 04/11/2016

Mervyn is a Chartered Accountant with extensive experience in Financial Management, Risk management and IT Strategy management. Mervyn currently owns a consultancy focused on Governance and Risk, Finance, Business Turnaround Management and other advisory services. Mervyn currently sits on a number of Boards and Audit Committees including chairing the audit and risk committee of JSE Listed Ascension Properties.

Anita Mendiratta (49)

Independent non-executive director
Member of the Audit & Risk Committee and Remuneration Committee
Appointed 09/12/2016

Anita Mendiratta is the founder and Managing Director of Cachet Consulting - an international consulting firm that provides global leaders with tourism advice on destination development, identity, recovery and competitiveness. Anita posesses over two decades of professional working and living experience across almost all continents. This unique, direct global experience has turned Anita into one of the most sought after international speakers and advisors on the subject of national growth, development, and often, recovery and advancement of tourism for nations across the globe.

Alongside her business leadership, Anita is also honoured to be the special advisor to the Secretary General of the United Nations World Tourism Organisation, strategic advisor to CNN International in the area of Tourism & Economic development, and a strategic resource to the World Bank, World Travel and Tourism Council.

Anita is a board member of the THEBE Tourism Group, on the advisory board of the Treadright Foundation and a number of other boards and committees worldwide.

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PERFORMANCE REVIEW

FIVE-YEAR REVIEW OF INTEGRATED PERFORMANCE

	2017	2016	2015	2014	2013
GROUP STATISTICS for the year ended 30 September					
Revenue (R '000)	**1 014 435**	1 040 674	894 326	941 396	600 553
Trading Profit (R '000)	**116 950**	99 606	74 978	92 990	66 205
Profit for the year (R '000)	**91 949**	71 123	55 996	71 323	56 998
Cash generated from operations (R '000)	**165 856**	236 823	60 306	119 433	54 907
Current ratio (times)	**1.25 : 1.00**	1.18 : 1.00	1.18 : 1.00	1.15 : 1.00	1.17 : 1.00
Number of employees	**1 279**	1 226	1 180	1 231	1 190
Ordinary share performance (cents per share)					
Basic earnings per share	**11.52**	8.79	7.04	8.50	7.85
Net asset value per share	**70.95**	61.26	52.53	48.12	44.96
Closing market price (cents)	**110**	151	160	245	207

OVERVIEW

We are pleased to report a strong year of growth. This is particularly pleasing as it follows a year of significant growth in 2016. Profit before tax increased by 25% to R129m (2016: R103m) and the group ended the year with R247m in cash resources (2016: R229m) after capital expenditure of R112m.

2017 saw a particularly strong performance in our inbound tourism and transport businesses. These divisions grew substantially during the year and we were particularly pleased with their overall performance. With a year of substantial growth, these businesses performed well within our service benchmarks. Our focus on service and quality of our transport fleet continues from the substantial investment in our fleet and coach facilities over the past four years.

We are also very pleased to confirm an improved performance from our local leisure and corporate travel agencies and outbound tourism businesses in 2017, despite a weakened local South African economy. The Marine business units and Trade Finance business units also operated in a challenging economic environment and have shown improved year on year results in 2017.

Whilst revenue increased in most business units, our sporting division saw a revenue decline in 2017 as there were no major sporting events in the period. This resulted in a marginal decrease in group revenue to R1.014b (2016: R1.040b).

The Group gearing position remains low, which provides opportunity to access debt should the group require. The R100m loan facility concluded with The Travel Corporation in 2014 remains in place. The group currently utilises R45m of the facility (2016: R45m) which was established to provide back-up funding for the Financial Services Division.

Looking at non-financial measures of performance, we are pleased to report that we continue to run our internal mentorship programme with a further 21 staff going through the programme in 2017 (148 staff have graduated since the programme was started). The mentorship programme is aimed at up skilling and developing employees in our group and has significantly contributed towards their personal growth and advancement. We are planning further outsourced up skilling and training in 2018 in addition to our mentorship programme.

On the 22nd November 2017, the board received notification that its holding company, Alpine Asset Management, had made an offer to acquire 100% of the issued share capital not already held by it. Should the offer be accepted, Cullinan would become a wholly-owned subsidiary of the offeror and the Listing on the JSE would be terminated. Details of this offer can be found on SENS, with the notice released on 24 November 2017.

REVIEW OF OPERATIONS MARINE AND BOATING SEGMENT

The businesses have traded profitably, with the gradual improvement in boat demand worldwide and weakened Rand making South African boatbuilding globally more competitive.

TRAVEL AND TOURISM SEGMENT

Retail Travel

In general, although consumer spending remains under pressure in South Africa in 2017, our retail businesses have performed satisfactorily, particularly in the second half of the year. The travel industry has also faced challenges in recruiting and retaining good staff. In 2017, we focused on this area and we are very pleased to see that the steps taken are showing tangible results through a combination of energised recruitment and further increased investment in training.

Our Corporate Travel business had another successful year, and although operating in a very competitive space, the relentless focus on the customer service continues to allow us to increase our market share.

Outbound Tour Operators

The various divisions within the outbound business showed strong performance during the year considering the tough trading environment and the impact of the devaluation in buying power of the Rand.

Inbound Tour Operators

The 2016 year saw a recovery in Inbound Tourism as reported last year and this rebound has continued through 2017. The weaker Rand and uncertainty in many competing tourism destinations around the world for reasons related to terrorism or political uncertainty assisted the recovery. The result of this has been substantial real growth in inbound tourism numbers and sales.

Coaching and Touring

The Cullinan coach business is primarily leisure tourism focused so the improvement in inbound tourism volumes has had a very positive effect on the business. Our investment in this business over the past 4 years has meant that our modern coach fleet, excellent coach depots and professional team of management and staff enabled us to take advantage of this upturn and provide good results. Our intention is to continue to develop this segment of our business and hence the board has approved a robust capital expenditure program for 2018 with a further R80m capital expenditure approved. Our objective is to ensure we continue to retain the leading and newest fleet in the country while continuing growing the fleet in strategic areas of opportunity.

CULLINAN FINANCIAL SERVICES SEGMENT

Our Financial services businesses typically provide trade finance to fund growth. Consequently, the economic climate has proven challenging in 2017, with the result being that many clients have reduced their utilisation. However, what is pleasing to note is that actions taken during the year to increase our client base has more than offset these challenges, and overall our lending book has increased without loosening our credit criteria.

TECHNOLOGY

Our technology systems support and digital divisions have seen significant advancements and improvements during 2017. We are satisfied with the strong performance of these support divisions.

INTEGRATED REPORTING

This is the first year of implementation of King IV and we are pleased to announce that we believe we apply the requirements as set out in the code. Our integrated report has been amended to reflect this and in addition, the King IV application register can be found on our website.

In addition, and aside from the excellent results posted by the Group, I am also pleased to announce that the we have been successful in meeting a number of the strategic objectives and these include:

- We've continued the very successful mentorship scheme started in 2013. This year's program focused on developing leadership skills for junior management. 21 staff successfully completed the 6-month course and graduated in November, bringing to 148 the total number of staff who has been through this mentorship program and which will continue in 2017
- The Group agreed to continue to look for opportunities to assist local communities and travel-related emerging businesses as it has done in the past year. In terms of social responsibility, the various business units have invested a significant amount of time in supporting various charitable causes. The list of these engagements is substantial and can be found on the Cullinan website.
- In keeping with Cullinan Holdings commitment to conservation and the various conservation projects in Africa, the Group is a member of and supports The Treadright Foundation, a non- profit foundation established by the Tollman family to encourage sustainable tourism. One of its many programmes is focused on preventing the destruction of endangered species, including rhino, sharks and lions. The foundation also supports a number of community projects amongst its various other projects.

PROSPECTS FOR 2018

Our overall view for 2018 is mixed. We are concerned by the potential risks in the year ahead, especially in relation to the South African economy and inflation. Conversely, a weaker Rand is expected to have a positive effect on our inbound tourism, coach transport and marine and boating businesses.

Our domestic travel businesses are well managed and while they continue to face challenges in the local economy as mentioned above, we are confident these businesses are well run and will respond positively to these challenges.

Looking ahead to 2018, significant capital expenditure is planned for our coach fleet to ensure that the brand leadership position of our coach fleet is maintained. We will continue to focus on being the leaders in our various businesses, providing excellent and exceptional service and value to our customers whilst maintaining excellent relationships with our suppliers and providing sustainable and rewarding employment for our staff.

We will continue to look for acquisitions in the tourism, leisure and financial services sectors while maintaining our focus on delivering exceptional service and value to our customers.

Finally, I would like to take this opportunity to thank our Chairman, directors, executives, our staff and our partners for their support, dedication and professionalism during the 2017 year.

Yours sincerely,

Michael Tollman
Chief Executive Officer

15 December 2017

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CORPORATE GOVERNANCE

The board of directors implements the highest standards of corporate governance at all operations. The board understands and values long-term and ethical relationships, and has well established governance processes for ensuring a balance between achieving business growth and meeting the reasonable expectations of its stakeholders.

OBJECTIVE

Cullinan's overarching governance objective is to ensure that an adequate and effective process of corporate governance is established and maintained which is consistent with the nature, complexity and risk inherent in the group's activities and responds to change in the group's environment and conditions.

Within the above-mentioned objective, Cullinan complies with all relevant legislation, including but not limited to the Companies Act, no 71 of 2008, JSE Listings Requirements, the principles of the King Code on Corporate Governance 2016 (King IV) and best practice guidelines deemed appropriate to the effective functioning of the group.

The assessments conducted and overseen by the board committees during the year confirmed that the processes implemented by the group relating to corporate governance, internal controls, risk management and capital management have successfully achieved the above objective.

As mentioned, the Board endorses and endeavors to adhere to the principles and guidelines of King IV. This report details the practices implemented and progress made towards achieving the governance outcomes set out in King IV - these being :

- ethical foundation and culture and a responsible corporate citizen;
- performance and sustainable value creation;
- adequate and effective controls; and
- trust, a good reputation and legitimacy through a stakeholder inclusive approach.

The board endeavours to continue to enhance and improve on ways to measure the achievement of its governance outcomes.

INTEGRATED GOVERNANCE MODEL

Cullinan's integrated governance model allows for coherence between group strategy implementation and the long-term interests of its stakeholders.

GOVERNANCE OUTCOME >> ETHICAL FOUNDATION AND CULTURE

Cullinan subscribes to and promotes the principles of good ethical conduct.

The board oversees the establishment and monitoring of ethics to promote ethical behaviour, and to act as a guide on ethical considerations on day-to-day decisions made at every level of delegation.

Directors hold each other accountable for decision making and acting in a way that displays the ethical characteristics of integrity, conscience, independence, courage, competence, responsibility, commitment, accountability, fairness and transparency. The chairman is tasked to monitor this as part of his duties.

The board has articulated this policy in a number of ways, with the primary method being the establishment and implementation of company policies, principles and values which govern the ethical conduct of the business with staff, customers, suppliers and other stakeholders. These values may differ slightly between business entities but the core principles and values are :

- Relationships. Long term relationships - To always treat our customers, staff and suppliers with respect, generously and honestly and fairly at all times. Always look at the long term relationship in making decisions regarding our relationships .
- Enabling and trust. Teach,trust and empower those around us (teamwork).
- Anticipation. Anticipate and act proactively at all times.
- Embracing Change To continually pursue improvements, new opportunities and standards of excellence.
- Entrepreneurship. We are not afraid of taking calculated risk and making mistakes and correcting mistakes.
- Exceeding Expectations. To always strive for excellence a 'wow' service or product for our customers.
- Leadership. Our role and responsibility as leaders is to Inspire others by the example that we set. Our objective as a business leaders is be the leaders in what we do (we do not follow our competitors).

Adherence to these principles and values is achieved by :

- Business heads are required to implement these values;
- Bi-annual appraisals of all staff which include adherence against these principles and values;
- The inclusion of these values in all position descriptions;
- A bi-annual company survey of all staff to measure staff perception of and effectiveness of the companies'adherence to the values; and
- Values committees at which staff can raise concerns.

In addition, the board has delegated responsibility to the Social and Ethics committee to manage many of the requirments of good corporate citizenship. This is reported on in the report by the Social and Ethics Committee. See page 20 of the Integrated Report.

GOVERNANCE OUTCOME >> PERFORMANCE AND VALUE CREATION

Cullinan engages with many stakeholders and in line with King IV, provides detailed coverage of these engagements beyond financial performance. These key stakeholders include investors, customers, employees, communities, regulatory bodies and suppliers.

Transactions with some of these stakeholders are shown in the value added statement below. Value added is defined as the value created by the activities of the business and its employees. In the case of Cullinan, wealth is created through the provision of primarily travel, tourism and financial services.

This statement shows total wealth created and how it was distributed, taking into account amounts retained and reinvested in the Group for replacement assets and development of operations.

	2017 R'000	2017 %	2016 R '000	2016 %
Value added				
Revenue	**1 014 191**		1 040 674	
Less: Operational costs	**362 169**		514 554	
Wealth created	**652 022**		526 120	
Distribution of wealth				
Employees	**135 299**	**34.6**	323 433	31.1
Government	**37 913**	**3.7**	32 267	3.1
Shareholders	**16 035**	**1.6**	16 003	1.5
Re-invested in the Group	**246 775**	**24.3**	154 417	14.8
Depreciation and amortisation	**41 624**		41 955	
Capital expenditure	**112 067**		41 714	
Retained income	**93 084**		70 748	
Wealth distribution	**652 022**	**64.3**	526 120	50.6
Employee statistics				
Number of employees at year-end	**1 279**		1 226	
Wealth created per employee	**510**		429	

NON-FINANCIAL REPORTING POLICIES

The board's responsibilities include oversight of financial and non-financial value drivers against agreed performance measures and targets, including environmental, social and governance issues impacting the sustainable profitability of the group and ensuring that the group is seen to be a responsible corporate citizen.

Cullinan's non-financial reporting policies incorporate requirements set out in King IV and BEE transformation requirements.

Disclosures relating to non-financial issues have been selected based on principles of materiality to stakeholder inclusiveness. Materiality is defined as disclosures which reflect significant economic, environmental and social impacts, or those that would substantially improve the ability of stakeholders to make informed decisions about the company's performance.

GOVERNANCE OUTCOME >> ADEQUATE AND EFFECTIVE CONTROL

The board has overall responsibility for the group, including approving and overseeing management's implementation of the strategic objectives, governance framework and corporate culture.

In discharging its responsibilities, the board is empowered to delegate to management. As such, the board is supported by senior management, together with various board committees and the Executive Committee, comprising of the leadership of each business unit.

BOARD OF DIRECTORS

The board serves as the focal point and custodian of corporate governance in the group. This broad leadership role includes:

- setting the direction for realisation of the group's core purpose and values through its strategy;
- approving policy, including plans, frameworks, structures and procedures;
- providing oversight of implementation; and
- demonstrating accountability and transparency through disclosure.

Composition of the board

In line with the recommendations of King IV, Cullinan has a unitary Board. Details of the directors of Cullinan are set out on page 7-8 of this report. As of the date of issuing of this report, the board consists of 4 Executive Directors and 5 Non Executive Directors, of whom 3 are independent.

The responsibilities of executive and non-executive directors are strictly separated to ensure that no director can exercise unrestricted powers of decision-making. The Chairman provides leadership and guidance to the Board and encourages proper deliberation on all matters requiring the Board's attention while obtaining input from other directors.

The executive directors are responsible for implementing strategy and imparting operational knowledge and experience to Board deliberations. All non- executive directors are sufficiently qualified to contribute industry skill and expertise.

Cullinan supports the principles and aims of the appropriate gender and race diversity at Board level and adopted a policy on gender and race diversity in 2017. Although no target has been set, the policy requires that should a vacany on the Board arise, or should there be a requirement for an additional Board appointment, consideration will be given to the appointment of a non-white and or female director so as to attain and maintain a level of diversity within the Board. In addition, the Board will review the state of the Board's representation on an ongoing basis and ensure that the Policy is appropriately applied.

In terms of the policy, Cullinan will annually report to shareholders in its Integrated Report on how the Board has considered and applied the Policy in the nomination and appointment of directors to the Board of the company.

Gender diversity report

The last appointment made to the board was Anita Mendiratta, appointed on 9 December 2016. The board considered the policy on gender and race diversity during the last year. However, no board vacancies arose during 2017 and the board did not consider it necessary for any additional board appointment and hence the composition of the board is unchanged since 9 December 2016.

RECORD OF ATTENDANCE

Executive Directors	Board	Audit & Risk	Remuneration	Social & Ethics
M Tollman	4 [4]	2 [2] +	2 [2] +	
L Pampallis	4 [4]			
D Standage	4 [4]	2 [2] +	2 [2] +	2 [2]
L Tollman	3 [4]			
Independent Non Executive Directors				
R Arendse	4 [4]	2 [2] #	2 [2]	2 [2]#
M Burton	4 [4]	2 [2]		
A Mendiratta	3 [4]	1 [2]	0 [1]	
Non Executive Directors				
D Hosking	4 [4]		2 [2] #	
G Tollman	4 [4] #		1 [1] +	
B Allison	4 [4]+			2 [2]

 # Chairman / chairman of committee
+ By Invitation
** Company Secretary*
The Audit and Risk Committees were merged with effect from 14 December 2016 as many of the functions performed on these Committees were duplicated.

Board charter
A formal Board Charter has been adopted and sets out the Board's role and responsibilities as well as the requirements for its composition and meeting procedures.

Chief executive officer
The CEO is appointed by the board and is responsible for leading the implementation and execution of approved strategy, policies and operational planning, and serves as the chief link between management and the board. The CEO is accountable to the board to amongst other things:

- develop and recommend to the board the short-, medium- and long-term strategy and vision of Cullinan and its achievement of performance targets;
- ensure that Cullinan has an effective management team and management structures; ensure that appropriate policies are formulated and implemented; and
- ensure that effective governance measures are deployed; and serve as Cullinan's chief spokesperson.

Company secretary
The company secretary plays an essential role in Cullinan's corporate governance. The company secretary is responsible to the board for, inter alia, acting as a central source of information and advice to the board on their duties and responsibilities, adherence to good corporate governance principles, and compliance with procedures and applicable statutes and regulations.

The Company Secretary is responsible for providing the Board with guidance in discharging its responsibilities in terms of legislation, regulatory requirements and the fiduciary responsibility of the directors.

The Company Secretary, Mr Bradley Allison was appointed in 2011. Prior to joining Cullinan Holdings, Mr Allison spent 10 years in a legal practice, focusing on Commercial and Civil litigation including Company Law. While no longer in legal practice, Mr Allison holds an LLB degree and has passed the attorneys admission examinations. The Board has satisfied itself that Mr Allison has the competence, qualifications and experience to fulfil the role of Company Secretary.

As Mr Allison is an employee of the Company, the Board accepts that there is no "arm's length" relationship between the Board and the Company Secretary. However, Mr Allison's legal background, independent mindset and authority within the organisation have allowed him to pragmatically pursue the goal of good governance.

Retirement and re-election of non-executive directors
Each year, in terms of the Memorandum of Incorporation two of Cullinan's non-executive directors, excluding the board chairman, retire by rotation. There is no limit to the number of times that a director may be re-elected to the board, provided they are below the retirement age (65 years). When Cullinan directors retire from the board they automatically retire from the statutory committees on which they serve. the following directors retire and are eligible for re-election:

- G Tollman
- R Arendse
- D Hosking

Abridged CV's for these directors can be found on page 8.

Non-executive directors are expected to ensure that appointments to boards outside the group do not impinge on their ability to perform their duties as directors of Cullinan and do not present any material conflict of interest. The appointment of all directors to the board requires the approval of shareholders at the annual general meeting.

The board is satisfied that all directors, whether classified as executive, non-executive or independent non-executive act with independence of mind in the best interest of the group. The roles of the chairman, lead independent director and chief executive officer are set out in the board charter, demonstrating a clear balance of power and authority at board level to ensure that no one director has unfettered powers of decision- making. No independent non-executive director has served continuously for nine years or more.

In line with the JSE Listings Requirements and King IV, Rudewaan Arendse fulfills the role of lead independent non-executive director. The chairman and lead independent director mitigate any risk of potential conflict of interest in board meetings and ensures that the independent members of the board demonstrate impartiality and leadership when required.

Directors' dealings in shares

There are no shares held by directors or prescribed officers. Share options held by Directors and prescribed officers are detailed in note 29.

Directors and prescribed officers are restricted from trading in the shares of the Company during two defined closed periods ahead of reporting of interim and annual results. Outside of these periods, directors are required to notify the Company Secretary of any dealings, which are then disclosed on the SENS of the JSE.

Conflicts of interest

Any conflicts of interest of the directors with the Company must be formally disclosed. No conflicts of interest have been disclosed. Policies are in place to manage any potential conflict of interest. Directors sign a declaration stating that they are not aware of any undeclared conflict of interest that may exist due to their interest in, or association with, any other company.

In addition, directors disclose interests in contracts and related party transactions for the board to assess whether such transactions are on arm's length commercial terms. In such instances, directors will recuse themselves from deliberations on these matters.

INTERNAL CONTROL SYSTEMS

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

Appointment to the board

There is a clear policy in place detailing procedures for appointments to the board. Such appointments are formal and transparent, and a matter for the board, assisted by the remunerations committee.

The directors are accountable and responsible for all actions of board committees. Directors have full and unrestricted access to management, group information and property. They are entitled to seek independent professional advice in support of their duties at the group's expense.

Annual assessment

Directors complete an annual self assessment questionaire. Should any Director identify any area of concern this can be addressed and remedial action taken. No material concerns were identified.

The board is satisfied that the evaluation process is improving its performance and effectiveness, and will continue to find ways to improve on the evaluation process.

BOARD COMMITTEES

Cullinan has established 3 board committees to assist and support the board in discharging its duties. Each committee acts in terms of a written charter. The charters were reviewed and where appropriate, amended. Specific attention was given to compliance with King IV when these charters were reviewed.

The board and subcommittees are satisfied that it has executed its duties during the past financial year in accordance with its terms of reference, set out in the board and committee report.

The various committee mandates extend, on behalf of Cullinan, to include all wholly-owned and majority-owned South African-based subsidiaries and operations within the Cullinan group.

REMUNERATIONS COMMITTEE

The committee oversees group remuneration and ensures that practices are appropriate and conform with the general philosophy of rewarding performance and promoting the Groups objectives. The committee assists the board in ensuring that the group remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Summary of responsibilities:

- Oversight of the setting and administering of remuneration at all levels of the business to promote the achievement of the Company's objectives;
- Reviewing the outcomes of the policy to determine whether the objectives are being met;
- Advising on the remuneration of non-executive directors; and
- Oversight of the preparation of the remuneration report and recommendation of the report to the Board, ensuring the report is accurate, provides a clear explanation of the remuneration policy and provides sufficient information to shareholders to pass the necessary special resolution in terms of section 66(9) of the Companies Act, 2008.

The committee is satisfied that it has executed its duties during the past financial year in accordance with these terms of reference, relevant legislation, regulation and governance practices.

Engagement with shareholders

In line with King IV, the remuneration policy and implementation report is tabled annually for separate non-binding advisory votes by shareholders at the annual general meeting, (refer to resolution number 8 in the notice of annual general meeting).

The group's remuneration policy and non-executive director's fees were put to a shareholder vote at the previous annual general meeting and endorsed with an overwhelming majority (2017: 100% and 100% respectively).

The committee approved an engagement process in the event that either the remuneration policy resolution or the implementation report resolution, or both, have been voted against by 25% or more of the voting rights exercised at a shareholder meeting.

Future areas of focus

The committee will continue its efforts to align the interests of group employees with those of all stakeholders and ensure that the remuneration of executive management is fair and responsible in the context of overall employee remuneration.

REMUNERATION REPORT

This report is part of the remuneration report and will be put to a non-binding advisory vote by shareholders at the upcoming annual general meeting. The chairman of the remuneration committee attends the annual general meeting. The chairman has provided formal confirmation that the risk element of Cullinan's compensation policy has been duly considered and does not encourage risky behaviour.

Scope of policy

The committee reviewed the group remuneration policy and no changes were made.

Objectives of the remuneration policy

The remuneration policy aims to promote a culture that supports innovation, recognition, engagement and execution of company strategy that aligns the interests of employees in achieving profitable and sustainable long-term growth for the benefi of all stakeholders.

The remuneration committee oversees the design of the remuneration policy which strives to achieve the following objectives: attract, motivate, reward and retain human capital;promote the achievement of strategic objectives within the organisation's risk appetite; promote positive outcomes and fair, transparent and consistent remuneration practices; and promote an ethical culture and responsible corporate citizenship.

Cullinan's remuneration philosophy

Compensation is fundamentally linked to value-add and all employees must be able to move up the pay ladder through creating more economic value for the group.

Remuneration on a "relative" basis to peers should not be out of line. Targets set for management are always "stretch" but achievable and long-term performance alignment is guaranteed.

Components of the remuneration system

Fixed remuneration - Base pay (total cost to company) is designed to attract and retain human resources in line with scope, nature and skills requirement of the role. Base pay is market related and reflects the responsibilities, skills and expertise of the individual and role.

The total cost to company includes a compulsory retirement contribution and compulsory life/ disability cover contribution. The Group is a member of the Vitae Umbrella Provident Fund. The Group has no material liabilities for post-retirement benefits as disclosed in the notes to the annual financial statements.

All permanent employees at a management level or above are required to join the Discovery Health medical aid scheme unless covered by the scheme of their spouses or partners.

Variable remuneration - A large proportion of the Groups employees are employed as travel sales consultants. These employees generally operate on a "cost of seat" basis which is determined from their base pay. Once this cost of seat target is achieved, these employees receive commission based remuneration designed to encourage and reward performance.

All employees are subject to an annual discretionary incentive bonus. This bonus is dependent upon the Company's performance against set targets, typically budget and the individual performance of employees as determined in bi-annual appraisals.

Long term remuneration - Qualifying employees received share options through the Company share option scheme. As of September 2017, 105 employees (2016: 105) had received share options. The first tranche of share options vested in November 2016 and to date, 20 employees have exercised their options amounting to 3 565 000 shares.

Executive director's and prescribed officer's compensation

Cullinan defines its prescribed offi cers as the Executive Directors of the Company and the Company Secreraty. Executive directors' emoluments are disclosed on pages 58.

The basis for remunerating executive directors comprises guaranteed pay plus benefits and variable compensation in the form of an annual bonus. Certain executive directors have received share options in terms of the 2013 share option scheme, detailed on page 58. All executive directors are employed under the group's standard employment contract.

Non-executive director's fees

Non-executive directors receive fees for their services as directors and for services provided as members of board committees. Non- executive directors do not participate in long-term incentive schemes. Fees paid to non-executive directors were benchmarked in 2016 to align with market practice for similar sized entities.

Promoting income equality and responsible executive remuneration

The committee has understands internal pay gaps within the group. In principle, the committee believes that there is nothing wrong with pay gaps provided employees are fairly remunerated for their work. In a performance-based company culture it is inevitable that pay gaps will emerge, in fact, it is important that employees feel that outperformance can and will be compensated.

Having said that, the group has methods and processes aimed at identifying and correcting any arbitrary inequalities in pay. These processes compare like-for-like objective criteria across the employee base (grade, qualification,performance, experience).

AUDIT AND RISK COMMITTEE

The fundamental role of an audit committee is to assist the board to fulfil its oversight responsibilities in areas such as financial reporting, internal control systems, risk management systems and the internal and external audit functions. On 14 December 2016, the Board took the decision to merge the risk and audit committees as the company was of the opinion that many responsibilities were overlapping and duplicated.

The committee is constituted as a statutory committee of Cullinan in respect of its duties in terms of section 94(7) of the Companies Act, no. 71 of 2008 and as a committee of the Cullinan board concerning all other duties assigned to it by the board. The objectives and functions of the committee are set out in its charter, which was reviewed and updated during the year including reflecting the merging of the two committees.

Summary of responsibilities

- reviews the quality, independence and cost-effectiveness of the statutory audit and non-audit fees;
- reviews the appointment of the external auditors for recommendation to the board; and not withstanding its duties under section 94 of the Companies Act, request from the audit firm the information required to assess the suitability for appointment of the current audit firm and designated individual partner on an annual basis;
- oversees external audits, including review and approval of the external audit plans, review of significant audit findings and monitors progress reports on corrective actions required to rectify reported internal control shortcomings;
- assists the board in evaluating the adequacy and effectiveness of Cullinan's system of internal control (including internal financial controls), accounting practices, information systems and auditing processes;
- reports its assessment of the adequacy and effectiveness of internal controls (including internal financial controls), processes, practices and systems as set out above to the board;
- oversees financial risks and internal financial controls including integrity, accuracy and completeness of the annual integrated report (both financial and non-financial reporting);
- receives reports on fraud and IT risks as these relate to financial reporting;
- Satisfies itself with the expertise, resources and experience of the group financial director and finance function;
- provides independent oversight of the integrity of the annual financial statements and other external reports issued by Cullinan;
- recommends the annual integrated report to the board for approval and in a format agreed with the board;
- Oversight of the development and annual review of a risk policy and plan;
- Oversight of the dissemination of the risk plan throughout the Group and its integration in the day-to-day activities of the Company;
- To consider and set the materiality level for disclosure in the integrated report;
- Monitoring implementation of policy and planning for risk management;
- Expressing a formal opinion to the Board on the effectiveness of the risk management system;
- Reviewing risk reporting in the integrated report to ensure that the information is timely, comprehensive and relevant; and
- Reviewed the JSE Pro-active monitoring report and considered the applicability and application thereof.

The committee is satisfied that it has executed its duties during the past financial year in accordance with these terms of reference, relevant legislation, regulation and governance practices. The effectiveness of the committee and its individual members is assessed on an annual basis.

The committee ensured that the appointment of the auditors complied with all legislation on appointment of auditors.

The committee annually reviews and approves the list of non-audit services which the auditors may perform. There were no non – audit services performed.

In November 2016, the audit committee recommended that the audit be put out to tender as the incumbent auditors, Mazars had fulfilled this role for 9 years. After consideration, in 2017 Mazars were re-appointed as auditors. In arriving at that decisions, the committee has satisfied itself to the performance and quality of the external audit and that the external auditors and lead partners were independent of the group, as set out in section 94(8) of the Companies Act and the following additional considerations;

- representations made by the external auditors to the audit committee;
- independence criteria specified by the Independent Regulatory Board for Auditors and international regulatory bodies as well as criteria for internal governance processes within audit firm;
- extent of other work undertaken by the auditors for the group; and
- the rotation of the lead partner and concurring partner.

AUDIT COMMITTEE REPORT

The report of the Audit Committee forms part of the annual financial statements and can be found on page 29 of the integrated report

RISK MANAGEMENT REPORT

Significant risks have been identified and are proactively managed. The following information provides insight into these risks and how they are mitigated within the Group. Financial risks are disclosed in note 32 to the annual financial statements.

RISK MANAGEMENT AND MITIGATION

RISK	DEFINITION	HOW MITIGATED
Credit risk	the risk of financial loss as a result of a customer failing to meet its obligations.	setting of prudent credit limits, established credit policies and regular reports to the committee for any debtor not complying with terms. Within the financial services segment, and where appropriate, debt is insured through a credit guarantee insurer at a level of 80% or 90%, dependent upon the insurer.
Currency/exchange risk	the risk that the Company will incur losses through fluctuations in the exchange rate.	at divisional (operational) level the Group has a policy of zero exchange exposure. All foreign assets/liabilities are hedged. Any exchange exposure is considered and approved by the CEO in conjunction with the Financial Director.
Liability risk	the risk of material claims being made against the Group in the event of an accident or any other incident or event.	the Group ensures that appropriate levels of insurance cover are in place. The liability policy in place is specifically designed to mitigate risks inherent in the tourism industry. The Group ensures that controls, procedures and contracts are in place to mitigate against the risk of an accident or incident and to protect the interests of the group in the event of an occurence.
Compliance and legal risk	the risk of incurring financial loss due to penalties for non- compliance with legislation.	a top-down approach to governance ensures that policies are aligned for all businesses. Expert advice is retained where necessary to assist with compliance. The Group's internal legal advisor assists with identifying and keeping the business up to date with changes in legislation. In addition, this social and ethics committee reviews all relevant legislation to confirm that the group are compliant.

INTERNAL AUDIT

The Group does not have an internal audit as it is considered inappropriate for the size of the business. However, at least annually, the Group Accountant, who is independent of each business unit conducts a status of records and controls review. This review provides basic assurance to the board on the adequacy and effectiveness of the group's internal control and risk management practices, and the integrity of its reporting systems. Where appropriate, this will include making recommendations for improvements to the control and risk management environment.

SOCIAL AND ETHICS COMMITTEE

Summary of responsibilities

The role of the committee is to assist the board with ensuring responsible business practices within the Cullinan group and monitor group activities having regard for the Companies Act, the committee terms of reference and other legal requirements or prevailing codes of best practice in respect of social, transformation and economic development. It is charged with providing oversight of the following:

Theme	Relevance to Core Business List Performance Area	Relevant Legislation
ENVIRONMENT		
Climate Change	Charter Business.	National Environmental Management Act No. 107 of 1998. The Cullinan Transport business has adopted measures to reduce water usage. The result has been a 60% decrease in water usage for washing vehicles through the recycling of water.
Water Use	Charter Business.	
Bio-Diversity	Tourism Business.	
Pollution & Resources	Charter Business.	
Supply Chain	Airlines, Accommodation, Suppliers etc.	
SOCIAL		
Customer Responsibility	Consumer Relationships • Advertising; • Public relations; • Compliance with consumer protection laws.	Consumer Protection Act No. 68 of 2008. Protection of Personal Information Act No. 4 of 2013.
Human Rights & Community	• Contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed. • Record of sponsorship, donations and charitable giving. • Supplier Development programs across the Company.	The Socio-Economic element and Skills Development element of the BEEE code apply. The group is active in many aspects including supporting new emerging entrepreneurs in the Tourism arena, the group employs 25 interns as at 30 September 2017. The company supports various charities and organisations and donations amounting to R454 000 were made in the year.
Labour Standards	Labour and Employment • The Company's standing in terms of the International Labour Organization Protocol on decent work and working conditions. • The Company's employment relationship and its contribution toward the educational development of its employees. • Cullinan Mentorship programme.	• Labour Relations Act No. 66 of 1995. • Basic Conditions of Employment Act No. 75 of 1997. • Employment Equity Act No. 55 of 1998. • The Group complies with the Skills Development Act No. 97 of 1998. In 2017, 250 employees were given formal external training, while 500 employees received formal, on the job training. • 148 employees have progressed through the employee mentorship program since inception in 2014.
Health and Safety		• Occupational Health and Safety Act No. 85 of 1993.
Supply Chain	Supplier Enterprise Development.	
GOVERNANCE		
Corporate Governance	Promotion of equality and prevention of unfair discrimination.	The Group complies with the Broad Based Black Economic Employment Act 2003. Various business units within the group achieved BEEE ratings of between 3 & 4. The group complies with the requirements of the Employment Equity Act. ACI staff now comprise 66% (63% in 2016) of total staff numbers. Woman comprise 64% (65% in 2016) of all staff. A schedule showing the equity status of the business is included on page 22. The group complies with the requirements as set out in the King IV code of corporate governance. The group manages remuneration equity by using the Patterson grading system. This enables positions to be benchmarked to assist in working towards internal equity for positions in the business.
Risk Management	• Risk Management Board sub-committee. • Risk Management Matrix.	King IV, JSE regulations.
Tax Transparency	• Income tax act, VAT act and all applicable acts.	The Group complies with all Income Tax and Vat requirements to the best of its ability. The company avoids any aggressive tax strategies even if these strategies are legal.
Anti-Corruption	• Integrity Management. • Anti-Corruption. • Fraud Prevention. • Cullinan Ethical Policy.	The company has a written policy on fraud, which includes a policy of zero tolerance for fraud or unethical behaviour. In instances of fraud, the company has prosecuted perpetrators. The company has implemented a set of company values and these include ethical and honest business dealings with all stakeholders.

EMPLOYMENT EQUITY STATUS

	Male				Female				Foreign Nationals		
Occupational levels	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	TOTAL
Top management	0	0	0	3	0	0	0	2	1	0	6
Senior management	1	5	2	24	4	0	0	14	1	1	52
Professionally qualified and experienced specialists and mid-management	1	3	6	18	4	7	3	33	0	1	76
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	32	20	16	56	46	49	67	221	2	6	515
Semi-skilled and discretionary decision-making	107	66	20	35	65	66	51	165	1	5	581
Unskilled and defined desicion-making	19	2	0	0	19	5	2	1	0	0	48
Total permanent	160	96	44	136	138	127	123	436	5	13	1 278
Temporary employee's	0	0	0	1	0	0	3	0	0	0	1
Grand total - 2017	160	96	44	137	138	127	123	436	5	13	1 279
Grand total - 2016	134	102	41	140	126	117	120	438	5	3	1 226

ACI Staff : 66% (2016 : 63%) of all employees
Women : 64% (2016 : 65%) of all employees

GOVERNANCE OUTCOME >> TRUST, A GOOD REPUTATION AND LEGITIMACY THROUGH A STAKEHOLDER INCLUSIVE APPROACH
The board appreciates that there is an interdependent relationship between the group and its stakeholders, and the group's ability to create value for itself depends on its ability to create value.

Engagement with stakeholders takes a number of different forms:

STAKEHOLDER	CHANNEL USED	FOCUS AREAS
Investors	• Distribution of annual and interim financial reports; • SENS announcements; • Regular updates on the investor page and press releases distributed on the Cullinan website; • The holding of the Annual General Meeting.	• Business performance, • Dividend payments and issues affecting the share price.
Employees	• Training and development • Bi-annual appraisals • Value committees • A bi-annual newsletter to all employees • Regular email correspondence with "All Cullinan" • Annual events, incuding awards events	• The mentorship program for developing leaders, • Recognition and rewards initiatives to encourage staff, • Values initiatives to focus on living the company values
Community and civil society	• Membership and contribution to the Treadright Foundation, a global initiative founded by The Travel Corporation to support environmental causes in areas impacted by Tourism Signatory to the Tourism Child Protection Code of Conduct, a global initiative to increase protection of children from exploitation; • Association with Boundless Africa, an organisation selected by nine Southern African countries to showcase and protect trans-frontier conservation areas; • Partnership with the Green Leaf Environmental Standard, which encourages participation by partners to engage in environmental best practice; and • Membership of the Fair Trade in Tourism Association, Wildlands Trust, Endangered Wildlife Trust and Hoedspruit Endangered Species centre.	• Small business development and CSI • The environment, specifically related to tourism and travel.

Engagement with stakeholders takes a number of different forms continued:

STAKEHOLDER	CHANNEL USED	FOCUS AREAS
Customers	• Ongoing and regular electronic communications in the form of newsletters, product offerings and updates; • Regular meetings with customers, both locally and internationally; • Attendance at trade shows and exhibitions to meet with existing • and potential customers.	• Customer focus in every transaction, • Innovation and improved product offering,
Suppliers	• Regular visits and presentations by suppliers to business, providing staff with access to up-to-date information on the suppliers' products and offerings; • Regular visits by staff to suppliers to assess the standards and • suitability of their products/offerings; and • Formalised service level agreements with suppliers.	• Engendering a "partnership with suppliers, • Ensuring we meet our commitments and obligations with suppliers
Government and regulators	• Meetings, • attendance at road shows, • formal engagement through industry bodies • statutory submissions.	• BEE, equity • Regulatory compliance with bodies such as SARS, SARB and industry associations,

ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY AND APPROVAL

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 separate financial statements and Group 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 Group and 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, SAICA's Financial Reporting Guides, the Companies Act and the JSE Listing Requirements. The external auditors are engaged to express an independent opinion on the annual separate and Group financial statements.

The annual separate and Group annual financial statements are prepared in accordance with International Financial Reporting Standards and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Companies Act and the JSE Listing Requirements 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 throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of all risk management in the group is on identifying, assessing, managing and monitoring all known formas of risk across the group. While operating risk cannot be fully eliminated, the group endeavors 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 Board of directors acknowledges its responsibility to ensure the integrity of the integrated report. The Board has accordingly applied its mind to the integrated report and in the opinion of the Board the integrated report addresses all material issues, and presents fairly the integrated performance of the organisation and its impacts. The integrated report has been prepared in line with best practice pursuant to the recommendations of the King IV. The Board authorised the integrated report for release on 15 December 2017.

The directors have reviewed the Company and Group cash flow forecasts for the year to 30 September 2018 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 annual separate financial statements and Group annual financial statements and their report is presented on pages 26 to 28.

The annual separate financial statements and Group annual financial statements set out on pages 29 to 73, which have been prepared on the going-concern basis, were approved by the Board on 15 December 2017 and were signed on its behalf by:

Michael Tollman
Chief Executive Officer

David Standage
Financial Director

15 December 2017

CERTIFICATE OF THE COMPANY SECRETARY

In my capacity as Group Secretary, I hereby confirm, in terms of section 33 together with section 88 of the Companies Act, 2008, that for the year ended 30 September 2017, the Company has lodged with the Companies and Intellectual Properties Commission all such returns as are required of a public company in terms of this Act and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

B Allison

B Allison
Company Secretary

15 December 2017

TO THE SHAREHOLDERS OF CULLINAN HOLDINGS LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements

OPINION

We have audited the consolidated and separate financial statements of Cullinan Holdings Limited (the group) set out on pages 29 to 73, which comprise the statements of financial position as at 30 September 2017, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 30 September 2017, 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 the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Matter	Audit response
Valuation of goodwill (Note 10) Goodwill comprises 8% of the total assets of the group. As required by the applicable accounting standards, senior management conduct annual impairment tests to assess the recoverability of the carrying value of goodwill. In order to establish whether an impairment exists, fair value less costs to sell or the value in use is determined and compared to the net book value of the goodwill. As detailed in note 10, this determination of an impairment is highly subjective as significant judgement is required in determining the fair value less costs to sell or the value in use as appropriate. The value in use is based on the discounted cash flow models for each cash-generating unit and requires the estimation and the determination model assumptions, including: • Future revenue; • Operating margins; • Interest rates; and • Discount rates applied to projected future cash flows The impairment test performed on goodwill is considered to be a key audit matter due to the extent of judgement and estimation involved.	We performed a critical assessment, with the assistance of our valuation experts, as to whether the model used by management to calculate the value in use of the individual and lowest CGUs complies with the requirements of IAS 36 Impairment of Assets. This included: Assessing the assumptions used to determine discount rates and recalculation of these rates; • Analysing the future projected cash flows used in models to determine the reasonability and attainability given the current macro-economic climate and expected future performance of cash generating units; • Subjecting key assumptions to sensitivity analyses; • Assessing the reasonability of forecast assumptions by: o Comparing the forecast numbers to actual results for 2017; o Discussions with management as to reasons for deviations; o Corroborating reasons obtained from management above to supporting documentation; and o Assessing the adequacy and reliability of budgeting techniques; and • Reviewing the adequacy of disclosure as required in terms of IAS 36.

Matter	Audit response
Valuation of Property, plant and equipment (Note 9) Property, plant and equipment comprise of 24% of total assets of the group at year end as per the Statement of Financial Position. Management is responsible for annually assessing the useful lives and residual values of assets. Useful lives are determined as the period over which the group expects to utilise the benefits embodied in the assets. The group uses the following estimations and indicators to determine useful lives: • Expected usage of assets; • Expected physical wear and tear; and • Expected technical and commercial obsolescence. Residual values are an estimate made of the amount the group would expect to currently receive for the assets if the asset was already the age and in the condition expected at the end of its useful life. Due to the significance of the estimates and judgements involved which could result in a material misstatement this is considered to be a key audit matter.	We critically evaluated the reasonability of the useful lives and residual values as assessed by management in accordance with IAS 16 - Property, Plant and Equipment. Our evaluation included: Considering the nature and use of selected assets; Considering the actual age of assets per category compared to the assessed useful life; • Inspecting the physical condition of a selected sample of assets and thus their apparent useful lives against those that have been determined by management; • Assessing the reasonability of the assumptions made by management in determining the residual values by comparing it to market related residual values for assets of a similar nature; and • Evaluating management's historical assessment of useful lives and residual values through inspection of past data, industry practice and our knowledge of the business.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report, the Company Secretary's Certificate, as required by the Companies Act of South Africa, the Integrated Annual Report and the Shareholders' analysis, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of Cullinan Holdings Limited for 10 years.

Mazars

Mazars
Registered Auditors
Partner: Susan Truter
Registered Auditor

Date: 15 December 2017
Johannesburg

AUDIT COMMITTEE REPORT

The Audit Committee of the Company and the Group has pleasure in submitting this report, as required by the Companies Act, No 71 of 2008.

FUNCTIONS OF THE AUDIT COMMITTEE

The Audit Committee has adopted formal terms of reference, delegated to it by the Board of Directors, as its Audit Committee Charter.

The Audit Committee has discharged the functions in terms of its Charter and ascribed to it in terms of the Act as follows:

- Reviewed the interim, provisional and year-end financial statements, culminating in a recommendation to the Board to adopt them. In the course of its review the committee:
  - takes appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act;
  - considers and, when appropriate, makes recommendations on internal financial controls; and
  - deals with concerns or complaints relating to accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls;
- Reviewed legal matters that could have a significant impact on the organisation's financial statements;
- Reviewed the external audit reports on the annual financial statements;
- Evaluated the effectiveness of risk management, controls and governance processes;
- Reviewed a presentation by the external auditors and, after conducting its own review, confirmed the independence of the auditor;
- Approved the audit fees and engagement terms of the external auditors;
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors; and
- Satisfied itself that the financial director has appropriate expertise and experience as required in terms of the JSE Listings Requirements paragraph 3.84(h).
- Reviewed the JSE Pro-active monitoring report and considered the application thereof.

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

During the year, we believe that all members acted independently as described in the applicable regulations. Attendance and composition of the Audit Committee meetings can be found on page 16 of this report.

ATTENDANCE

The external auditors, in their capacity as auditors to the Group, attended both meetings of the Audit Committee held this year. These meetings were on 14 December 2016 and 31 May 2017. Executive Directors and relevant senior managers attanded the meetings by invitation.

R Arendse
Chairman

15 December 2017

The directors have pleasure in submitting their report for the year ended 30 September 2017.

GENERAL REVIEW

The main business of the Group is travel and tourism, marine and boating and financial services. The annual financial statements and notes thereto on pages 25 to 76 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 group was R91.9 million (2016: R70.3 million) and R65 million for the company (2016: R42.8 million.)

MATERIALITY

The presentation of the annual Financial Statement has been changed to recognise the effect of IAS 1, specifically to "de-clutter" the information presented. In terms of IAS 1.30A, the Audit Committee recommended that a level of materiality be established to determine the information required for disclosure in the Annual Financial Statement. The levels set were 2.5% of equity in determining materiality for the Statement of Financial Position and 0.5% of turnover for the Statement of Profit and Loss and Other Comprehensive Income. The Directors have accepted this recommendation and these levels have been applied to the 2017 Annual Financial Statement.

SUBSIDIARIES AND JOINT VENTURES

A schedule giving the details of the Company's holdings in subsidiary companies and investments in joint ventures appears in note 13. The aggregate net profit of subsidiaries and joint ventures attributable to the Group for the year was as follows:

R '000	2017	2016
Profit for the year from subsidiaries, associates and joint ventures	**24 966**	**28 331**

DIRECTORS

The directors' names and details are presented on page 7-8 of this report.

COMPANY SECRETARY

Mr B Allison is Company Secretary.

LITIGATION: PENSION FUND MATTER

Summons was received in 2009. Based upon the legal opinion received, the Company is defending this action and does not consider that the matter has any substance. In addition, the Company has been fully indemnified. Consequently, no provision has been made for this matter other than for legal costs to date. This matter is fully disclosed in note 31 to the financial statements.

AUTHORISED AND ISSUED SHARE CAPITAL

There were no changes to the authorised share capital and the changes to issued share capital can be seen in note 19 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, property, plant and equipment to the value of R105.8 million (2016: R40.9 million) was acquired by the Group and R53.9 million (2016: R29.5 million) by the Company. All property, plant and equipment was acquired in the normal course of business.

DIVIDENDS

Dividends of 2 cents per ordinary share were declared in the 2017 year (2016: 2 cents). Preference dividends of R55 000 (2016: R55 000) were declared and paid during the year.

DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

The remuneration of directors and prescribed officers is disclosed in note 28 to the annual financial statements.

INTEREST OF DIRECTORS AND PRESCRIBED OFFICERS

The directors and prescribed officers do not hold any direct or indirect interest in the Company's ordinary share capital except through the share option scheme. Prescribed officers hold 500 000 share options as at 30 September 2017 (2016: 500 000). The directors have no interest in contracts with the Company entered into during the period under review.

HOLDING AND ULTIMATE HOLDING COMPANIES

The Company has a holding company, Alpine Asset Management, incorporated in Liberia. The ultimate holding company is The Travel Corporation Limited, incorporated in the British Virgin Islands.

AUDITORS

Mazars was re-elected as auditors in 2017 in terms of section 90 of the Companies Act, 2008.

Members of the Board – R21 200 per meeting attended.
Members of committee – R10 600 per meeting attended.

EVENTS AFTER THE REPORTING PERIOD

On the 22nd November 2017, the board received notification that Alpine Asset Management, had made an offer to acquire 100% of the issued share capital not already held by it. Should the offer be accepted, Cullinan would become a wholly-owned subsidiary of the offeror and the Listing on the JSE would be terminated. This information was announced on SENS on 24 November 2017.

GOING CONCERN

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet the foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

Michael Tollman
Chief Executive Officer

David Standage
Financial Director

15 December 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AT 30 SEPTEMBER 2017

		Group		Company	
R '000	Notes	**2017**	2016	**2017**	2016
Revenue	2	**1 014 435**	1 040 674	**699 449**	587 970
Turnover	2	**1 005 518**	1 033 738	**688 487**	578 080
Cost of sales	3	**(306 904)**	(400 602)	**(124 288)**	(100 561)
Gross profit		**698 614**	633 136	**564 199**	477 519
Other operating gains	4	**30 560**	35 798	**28 809**	30 061
Other operating expenses		**(612 224)**	(569 328)	**(505 850)**	(448 185)
Trading profit	5	**116 950**	99 606	**87 158**	59 395
Investment income	6	**8 917**	6 936	**10 962**	9 890
Finance costs		**(4 283)**	(5 991)	**(4 224)**	(5 478)
Income from equity accounted investments		**6 205***	2 129	**-**	-
Other non-operating gains (Losses)		**-**	710	**-**	(130)
Profit before taxation		**127 789**	103 390	**93 896**	63 677
Taxation	7	**(35 840)**	(32 267)	**(26 913)**	(20 885)
Profit for the year		**91 949**	71 123	**66 983**	42 792
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gains and losses on property revaluation		**-**	(244)	**-**	-
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		**(494)**	2 455	**-**	-
Effects of cash flow hedges		**-**	7 856	**-**	7 856
Total items that may be reclassified to profit or loss		**(494)**	10 311	**-**	7 856
Other comprehensive income for the year net of taxation		**(494)**	10 067	**-**	7 856
Total comprehensive income for the year		**91 455**	81 190	**66 983**	50 648
Profit attributable to:					
Owners of the parent		**92 383**	70 318	**66 983**	42 792
Non-controlling interest		**(434)**	805	**-**	-
		91 949	71 123	**66 983**	42 792
Total comprehensive income attributable to:					
Owners of the parent		**91 889**	80 385	**66 983**	50 648
Non-controlling interest		**(434)**	805	**-**	-
		91 455	81 190	**66 983**	50 648
Earnings per share					
Basic earnings per share (c)	8	**11,52**	8,79		
Diluted earnings per share (c)	8	**11,37**	8,64		

*The majority of income from equity accounted investments can be referenced to note 13 for investments in joint ventures.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 SEPTEMBER 2017

		Group		Company	
R '000	Notes	2017	2016	2017	2016
ASSETS					
Non-current assets					
Property, plant and equipment	9	**320 498**	255 428	**156 994**	125 888
Investment properties		**13 350**	13 350	**11 190**	11 190
Goodwill	10	**97 402**	100 030	**59 787**	59 787
Intangible assets	11	**21 043**	20 595	**20 730**	20 584
Investment in subsidiaries	12	**-**	-	**50 256**	49 810
Investment in joint ventures	13	**17 997**	11 981	**1 840**	1 483
Investment in associates		**3 124**	3 152	**2 388**	2 388
Loans to group companies	14	**-**	-	**36 977**	57 958
Deferred tax	15	**6 971**	4 703	**3 512**	2 557
		480 385	409 239	**343 674**	331 645
Current assets					
Inventories	16	**31 952**	43 175	**11 938**	14 178
Loans to group companies	14	**-**	-	**23 625**	25 584
Trade and other receivables	17	**536 774**	441 214	**489 181**	385 489
Other financial assets		**1 763**	3 829	**1 758**	3 829
Current tax receivable		**4 199**	10 921	**3 181**	9 041
Cash and cash equivalents	18	**246 977**	229 694	**220 208**	190 100
		821 665	728 833	**749 891**	628 221
Total assets		**1 302 050**	1 138 072	**1 093 565**	959 866
EQUITY AND LIABILITIES					
Equity					
Equity attributable to equity holders of parent					
Share capital	19	**185 288**	157 634	**185 288**	157 634
Reserves		**15 927**	38 411	**14 914**	36 904
Retained income		**366 852**	290 812	**207 626**	156 678
		568 067	486 857	**407 828**	351 216
Non-controlling interest		**972**	3 291	**-**	-
		569 039	490 148	**407 828**	351 216
Liabilities					
Non-Current Liabilities					
Loans from shareholders	20	**45 000**	45 000	**45 000**	45 000
Preference share liability		**500**	500	**500**	500
Operating lease liability		**10 888**	9 073	**6 799**	5 364
Deferred tax	15	**16 972**	12 223	**-**	-
		73 360	66 796	**52 299**	50 864
Current Liabilities					
Trade and other payables	21	**650 035**	575 507	**620 983**	551 768
Loans from group companies	14	**-**	-	**3 577**	3 598
Other financial liabilities		**15**	942	**-**	-
Operating lease liability		**1 014**	857	**834**	447
Current tax payable		**138**	1 496	**-**	-
Provisions		**8 027**	1 956	**8 027**	1 956
Dividend payable		**17**	17	**17**	17
Bank overdraft	18	**405**	353	**-**	-
		659 651	581 128	**633 438**	557 786
Total Liabilities		**733 011**	647 924	**685 737**	608 650
Total Equity and Liabilities		**1 302 050**	1 138 072	**1 093 565**	959 866

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

R '000	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Hedging reserve	Reval-uation reserve	Share based payment reserve	Other NDR	Total reserves	Retained income	Total at-tributable to equity holders of the group / company	Non-contolling interest	Total equity
Group													
Balance at 01 October 2015	8 548	149 086	157 634	(1 574)	(7 856)	870	10 685	20 880	23 005	236 497	417 136	3 218	420 354
Profit for the year	-	-	-	-	-	-	-	-	-	70 318	70 318	805	71 123
Other comprehensive income	-	-	-	2 455	7 856	(244)	-	-	10 067	-	10 067	-	10 067
Total comprehensive income for the year	-	-	-	2 455	7 856	(244)	-	-	10 067	70 318	80 385	805	81 190
Share-based payment expense	-	-	-	-	-	-	5 339	-	5 339	-	5 339	-	5 339
Dividends (refer note 8)	-	-	-	-	-	-	-	-	-	(16 003)	(16 003)	(732)	(16 735)
Total transactions with owners of the company	-	-	-	-	-	-	5 339	-	5 339	(16 003)	(10 664)	(732)	(11 396)
Balance at 01 October 2016	8 548	149 086	157 634	881	-	626	16 024	20 880	38 411	290 812	486 857	3 291	490 148
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**92 383**	**92 383**	**(434)**	**91 949**
Other comprehensive income	**-**	**-**	**-**	**(494)**	**-**	**-**	**-**	**-**	**(494)**	**-**	**(494)**	**-**	**(494)**
Total comprehensive income for the year	**-**	**-**	**-**	**(494)**	**-**	**-**	**-**	**-**	**(494)**	**92 383**	**91 889**	**(434)**	**91 455**
Employees share options	**35**	**6 739**	**6 774**	**-**	**-**	**-**	**(6 417)**	**-**	**(6 417)**	**-**	**357**	**-**	**357**
Share-based payment expense	**-**	**-**	**-**	**-**	**-**	**-**	**5 307**	**-**	**5 307**	**-**	**5 307**	**-**	**5 307**
Transfer of reserves	**-**	**20 880**	**20 880**	**-**	**-**	**-**	**-**	**(20 880)**	**(20 880)**	**-**	**-**	**-**	**-**
Dividends (refer note 8)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16 035)**	**(16 035)**	**(577)**	**(16 612)**
Changes in ownership interest - control not lost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(308)**	**(308)**	**(1 308)**	**(1 616)**
Total transactions with owners of the company	**35**	**27 619**	**27 654**	**-**	**-**	**-**	**(1 110)**	**-**	**(21 990)**	**(16 343)**	**(10 679)**	**(1 885)**	**(12 564)**
Balance at 30 September 2017	**8 583**	**176 705**	**185 288**	**387**	**-**	**626**	**14 914**	**-**	**15 927**	**366 852**	**568 067**	**972**	**569 039**
Notes	19	19	19				29						

FOR THE YEAR ENDED 30 SEPTEMBER 2017

R '000	Share capital	Share premium	Total share capital	Hedging reserve	Share based payment reserve	Other NDR	Total reserves	Retained income	Total attributable to equity holders of company
Company									
Balance at 01 October 2015	8 548	149 086	157 634	(7 856)	10 685	20 880	23 709	129 889	311 232
Profit for the year	-	-	-	-	-	-	-	42 792	42 792
Other comprehensive income	-	-	-	7 856	-	-	7 856	-	7 856
Total comprehensive income for the year	-	-	-	7 856	-	-	7 856	42 792	50 648
Share-based payment expense	-	-	-	-	5 339	-	5 339	-	5 339
Dividends (refer note 8)	-	-	-	-	-	-	-	(16 003)	(16 003)
Total transactions with owners of the company	-	-	-	-	5 339	-	5 339	(16 003)	(10 664)
Balance at 01 October 2016	8 548	149 086	157 634	-	16 024	20 880	36 904	156 678	351 216
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**66 983**	**66 983**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**66 983**	**66 983**
Employees share options	**35**	**6 739**	**6 774**	**-**	**(6 417)**	**-**	**(6 417)**	**-**	**357**
Share-based payment expense	**-**	**-**	**-**	**-**	**5 307**	**-**	**5 307**	**-**	**5 307**
Transfer of reserve	**-**	**20 880**	**20 880**	**-**	**-**	**(20 880)**	**(20 880)**	**-**	**-**
Dividends (refer note 8)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(16 035)**	**(16 035)**
Total transactions with owners of the company	**35**	**27 619**	**27 654**	**-**	**(1 110)**	**-**	**(21 990)**	**(16 035)**	**(10 371)**
Balance at 30 September 2017	**8 583**	**176 705**	**185 288**	**-**	**14 914**	**-**	**14 914**	**207 626**	**407 828**
Notes	19	19	19		29				

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED 30 SEPTEMBER 2017

		Group		Company	
R '000	**Notes**	**2017**	2016	**2017**	2016
Cash flow from operating activities					
Cash generated from operations	**22**	**165 856**	236 823	**100 269**	164 218
Interest Income	**6**	**8 917**	6 936	**9 239**	7 705
Dividend income		**-**	-	**1 723**	2 185
Finance costs		**(4 283)**	(5 991)	**(4 224)**	(5 478)
Tax paid	**23**	**(27 993)**	(29 887)	**(22 007)**	(21 985)
Dividends paid	**24**	**(16 035)**	(24 005)	**(16 035)**	(24 005)
Net cash from operating activities		**126 462**	183 876	**68 965**	122 640
Cash flows from investing activities					
Purchase of property, plant and equipment	**9**	**(105 791)**	(40 892)	**(53 890)**	(29 511)
Sale of property, plant and equipment	**9**	**4 735**	4 320	**3 068**	1 195
Purchase of other intangible assets	**11**	**(6 276)**	(822)	**(5 937)**	(805)
Investment in joint ventures		**(357)**	-	**(357)**	-
Loans to group companies repaid	**14**	**-**	-	**72 840**	49 661
Loans advanced to group companies	**14**	**-**	-	**(53 394)**	-
Net cash from investing activities		**(107 689)**	(37 394)	**(37 670)**	20 540
Cash flows from financing activities					
Proceeds on share issue	**19**	**357**	-	**357**	-
Repayment of shareholders loan	**20**	**-**	(25 000)	**-**	(25 000)
Acquisition of additional shares in subsidiary from non-controlling interest		**(1 616)**	-	**(1 616)**	-
Dividends paid to non-controlling interest		**(577)**	(732)	**-**	-
Net cash from financing activities		**(1 836)**	(25 732)	**(1 259)**	(25 000)
Total cash movement for the year		**16 937**	120 750	**30 036**	118 180
Effect of exchange rate on cash and cash equivalents		**294**	222	**72**	97
Cash at the beginning of the year		**229 341**	108 369	**190 100**	71 823
Total cash at end of the year	**18**	**246 572**	229 341	**220 208**	190 100

SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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, Loans and receivables

The group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements based upon information available which would indicate a measurable decrease in the estimated future cash flows from a financial asset.

Fair value estimation

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period using the mark to market basis.

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 less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible 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 safety and security in our market, Southern Africa being seen as a suitable tourism destination, uncertainty in the political environment, together with economic factors such as the exchange rate, interest rates and inflation and the global economic environment.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation in South Africa and other jurisdictions in which their group operates. There are many transactions and calculations for which the ultimate tax determination is subject to change or revision during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Useful life of property, plant and equipment / intangible assets

Management is required to use their judgement when assessing the useful life and residual values of property, plant, equipment and intangible assets. The assessment is made taking into account information from various sources, including external valuations and profit or loss realised on the sale of assets in the past. The useful life of the intangible assets is assessed by considering the continued efficiency of the system against comparable systems and its ability to meet the operational requirements of the businesses to which these intangible assets apply within the group.

Classification of joint arrangements

The group has joint control over Underneath Trading (Pvt) Limited, Kasane Fish Farms (Pvt) Limited t/a Chobezi and Cullinan Japan through the contractual arrangements which set out that material decisions relating to relevant activities can only be taken by unanimous consent of all parties to the arrangement. The directors have concluded that these arrangements are joint ventures because Cullinan Holdings only shares in the profits of the entities.

1. NEW STANDARDS AND INTERPRETATIONS

1.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements

The amendment provides new requirements when an entity presents subtotals in addition to those required by IAS 1 in its financial statements. It also provides amended guidance concerning the order of presentation of the notes in the financial statements, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to profit or loss and b) that will be reclassified subsequently to profit or loss.

The effective date of the group is for years beginning on or after 01 January 2016.

The group has adopted the amendment for the first time in the 2017 financial statements.

The adoption of this amendment has not had a material impact on the results of the group, but has resulted in less disclosure than would have previously been provided in the financial statements.

Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

The amendments apply to the acquisitions of interest in joint operations. When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, it shall apply, to the extent of its share, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this IFRS and disclose the information that is required in those IFRSs in relation to business combinations. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

The effective date of the amendments is for years beginning on or after 01 January 2016.

The group has adopted the amendments for the first time in the 2017 financial statements.

The impact of the amendments is not material.

1.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations that are likely to impact the group. These have been published and are effective for the group's accounting periods beginning on or after 01 October 2017 or later periods:

IFRIC 22: Foreign Currency Transactions and Advance Consideration

The interpretation applies to circumstances when an entity has either paid or received an amount of consideration in advance and in a foreign currency, resulting in a non-monetary asset or liability being recognised. The specific issue addressed by the interpretation is how to determine the date of the transaction for the purposes of determining the exchange rate to use on the initial recognition of the related asset, expense or income when the non-monetary asset or liability is derecognised. The interpretation specifies that the date of the transaction, for purposes of determining the exchange rate to apply, is the date on which the entity initially recognises the non-monetary asset or liability.

The effective date of the interpretation is for years beginning on or after 01 January 2018.

The group expects to adopt the interpretation for the first time in the 2019 financial statements.

It is unlikely that the interpretation will have a material impact on the group's financial statements.

IFRIC 23: Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after 01 January 2019.

The group expects to adopt the interpretation for the first time in the 2020 financial statements.

It is unlikely that the interpretation will have a material impact on the group's financial statements.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the group are as follows:

Group as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and
- impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

The effective date of the standard is for years beginning on or after 01 January 2019.

The group expects to adopt the standard for the first time in the 2020 financial statements.

As a lessee this standard is expected to result in the recognition of our operating leases as a right to use assets on our Statement of Financial Position. The financial impact of this is currently being assessed.

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 in accounting or recognising and measuring for financial instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

1. New Standards and Interpretations (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group expects to adopt the standard for the first time in the 2019 financial statements.

It is unlikely that the standard will have a material impact on the classification of financial instruments in the group's financial statements. The group is in the process of establishing its impairment matrices.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable; guidance regarding agent versus principal considerations; and guidance regarding licenses and royalties.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group expects to adopt the standard for the first time in the 2019 financial statements.

The group is in the process of assessing the effects of IFR15 and is currently of the view that it is unlikely that the standard will have a material impact on the revenue recognition in the group's financial statements.

In general, the performance obligations and transaction prices are clearly defined and allocated per customer contract. As a result, we consider it highly likely that the same revenue recognition policies would apply in future when the group satisfies the performance obligations.

The group is however aware that the guidance regarding agent versus principle may have an impact and this matter is still being considered.

The review of the impact of IFRS 15 is expected to be completed in May 2018.

1. New Standards and Interpretations (continued)

Amendments to IAS 7: Disclosure initiative

The amendment requires entities to provide additional disclosures for changes in liabilities arising from financing activities. Specifically, entities are now required to provide disclosure of the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchanges;
- changes in fair values; and
- other changes.

The effective date of the amendment is for years beginning on or after 01 January 2017.

The group expects to adopt the amendment for the first time in the 2018 financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the financial statements.

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

In terms of IAS 12 Income Taxes, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The following amendments have been made, which may have an impact on the group:
If tax law restricts the utilisation of losses to deductions against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

Additional guidelines were prescribed for evaluating whether the group will have sufficient taxable profit in future periods. The group is required to compare the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences. This comparison shows the extent to which the future taxable profit is sufficient for the entity to deduct the amounts resulting from the reversal of those deductible temporary differences.

The amendment also provides that the estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

The effective date of the amendment is for years beginning on or after 01 January 2017.

The group expects to adopt the amendment for the first time in the 2018 financial statements.

It is unlikely that the amendment will have a material impact on the group's financial statements.

2. REVENUE

R '000	Group 2017	Group 2016	Company 2017	Company 2016
Sale of goods	**91 218**	149 633	**37 980**	28 581
Rendering of services	**827 844**	807 563	**566 918**	476 810
Financial services interest	**22 297**	16 428	**21 579**	16 428
Miscellaneous	**64 159**	60 114	**62 010**	56 261
Turnover	**1 005 518**	1 033 738	**688 487**	578 080
Investment revenue	**8 917**	6 936	**10 962**	9 890
	1 014 435	1 040 674	**699 449**	587 970

3. COST OF SALES

Sale of goods	**73 137**	110 316	**28 695**	21 047
Rendering of services	**233 767**	290 286	**95 593**	79 514
	306 904	400 602	**124 288**	100 561

4. OTHER OPERATING GAINS (LOSSES)

Losses on disposals				
Property, plant and equipment	**(194)**	-	**(53)**	-
Foreign exchange gains				
Net foreign exchange gains	**30 754**	35 798	**28 862**	30 061
Total other operating gains	**30 560**	35 798	**28 809**	30 061

5. TRADING PROFIT

Trading profit for the year is stated after accounting for the following, amongst others:

Employee costs (including directors' fees):				
Short-term	**336 842**	310 559	**289 555**	265 104
Post-employment	**14 457**	12 874	**11 870**	10 833
Share based compensation expense	**5 307**	5 339	**5 307**	5 339
Total employee costs	**356 606**	328 772	**306 732**	281 276
Operating lease charges:				
Premises	**56 032**	52 709	**47 226**	44 466
Equipment	**866**	884	**720**	743
	56 898	53 593	**47 946**	45 209
Depreciation and amortisation				
Depreciation of property, plant and equipment	**35 796**	37 405	**19 663**	19 900
Amortisation of tangible assets	**5 828**	4 550	**5 791**	4 543
Total depreciation and amortisation	**41 624**	41 955	**25 454**	24 443
Other				
Loss on disposal of assets	**194**	573	**53**	194
Sales and marketing expenses	**26 883**	17 203	**25 122**	15 581
Commissions paid	**16 996**	31 925	**16 529**	14 510
Bank charges	**8 005**	6 893	**7 287**	6 269
Computer expenses	**10 961**	12 078	**10 096**	10 940
Insurance	**6 372**	5 783	**4 106**	2 872
Telephone	**7 846**	7 639	**6 565**	6 329
Travel	**8 712**	7 469	**5 769**	5 523

6. INVESTMENT INCOME

R '000	Group 2017	Group 2016	Company 2017	Company 2016
Dividend income				
Subsidiaries - Local	**-**	-	**1 723**	2 185
Interest income				
Bank and other cash	**8 277**	5 956	**7 385**	4 670
Other financial assets	**640**	980	**437**	583
From loans to group and other financial parties:				
Subsidiaries	**-**	-	**1 417**	2 452
Total interest income	**8 917**	6 936	**9 239**	7 705
Total investment income	**8 917**	6 936	**10 962**	9 890

7. TAXATION

Major components of the tax expense	Group 2017	Group 2016	Company 2017	Company 2016
Current				
Local income tax	**33 357**	30 194	**27 867**	20 741
Deferred				
Originating and reversing temporary differences	**2 483**	2 073	**(954)**	144
	35 840	32 267	**26 913**	20 885

Reconciliation of tax expense

Reconciliation between applicable tax rate and average effective tax rate.	%	%	%	%
Applicable tax rate	**28.00**	28.00	**28.00**	28.00
Disallowable expenditure - restraint of trade	**-**	0.27	**-**	0.44
Disallowable expenditure - other	**1.21**	0.64	**1.17**	0.63
Exempt income / losses - dividends	**-**	-	**(0.51)**	(0.96)
Exempt income / losses - other	**-**	(0.22)	**-**	-
Cash flow hedge	**-**	2.13	**-**	3.46
Capital gains tax on revaluation of investment properties	**-**	0.07	**-**	(0.04)
Initial recognition of prior year taxes	**-**	0.13	**-**	0.76
Tax attributable to associate / joint venture income	**(1.36)**	(0.58)	**-**	-
Tax adjustment for foreign taxation rates	**0.19**	0.36	**-**	-
Capital gains tax rate change	**-**	0.41	**-**	0.51
	28.04	31.21	**28.66**	32.80

8. EARNINGS PER SHARE

Reconciliation of weighted average number of ordinary shares used for earnings per share to weighted average number of ordinary shares used for diluted earnings per share

	Group	
	2017	2016
Weighted average number of ordinary shares used for basic earnings per share	**802 045 885**	800 173 385
Adjusted for:		
Possible shares to be issued as share based payments	**10 692 358**	14 072 015
	812 738 243	814 245 400

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by theweighted average number of ordinary shares outstanding during the year.

R'000		
Reconciliation of profit for the year to date to basic earnings		
Profit or loss for the year attributable to equity holders of the parent	**92 383**	70 318

Basic earnings per share		
From continuing operations (cents per share)	**11,52**	8,79
Diluted earnings per share		
From continuing operations (cents per share)	**11,37**	8,64

The earnings used in the calculation of diluted earnings per share are the same as those used to calculate basic earnings per share.

Headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings by the weighted average and diluted weighted average number of ordinary share outstanding during a period.

Reconciliation between earnings and headline earnings

R'000	**Gross**	**Tax**	**Net**
2017			
Basic earnings	**92 383**	**-**	**92 383**
Losses on disposal of property, plant and equipment	**194**	**(54)**	**140**
Goodwill impairment	**2 599**	**-**	**2 599**
	95 176	**(54)**	**95 122**
2016			
Basic earnings	70 318	-	70 318
Losses on disposal of property, plant and equipment	573	(160)	413
Revaluations of investment property	(710)	159	(551)
Change in capital gains tax rate	-	331	331
	70 181	330	70 511

	Group	
Headline earnings per share and diluted headline earnings per share	**2017**	2016
Headline earnings per share (c)	**11,86**	8,81
Diluted headline earnings per share (c)	**11,70**	8,66
Dividends per share		
Dividends per share (cents)	**2,00**	2,00

9. PROPERTY, PLANT AND EQUIPMENT

R '000	2017 Cost or valuation	2017 Accumulated depreciation	2017 Carrying value	2016 Cost or valuation	2016 Accumulated depreciation	2016 Carrying value
Group						
Land	**440**	**-**	**440**	440	-	440
Buildings	**400**	**(55)**	**345**	400	(45)	355
Plant and machinery	**14 300**	**(5 994)**	**8 306**	8 540	(4 610)	3 930
Furniture and fixtures	**22 299**	**(16 378)**	**5 921**	21 865	(15 082)	6 783
Motor vehicles	**402 817**	**(113 196)**	**289 621**	322 557	(94 499)	228 058
IT equipment	**23 717**	**(18 850)**	**4 867**	23 487	(19 115)	4 372
Leasehold improvements	**26 399**	**(15 401)**	**10 998**	25 597	(14 107)	11 490
Total	**490 372**	**(169 874)**	**320 498**	402 886	(147 458)	255 428
Company						
Plant and machinery	**7 970**	**(3 743)**	**4 227**	5 982	(3 122)	2 860
Furniture and fixtures	**21 110**	**(15 512)**	**5 598**	20 611	(14 202)	6 409
Motor vehicles	**181 773**	**(42 534)**	**139 239**	139 894	(32 219)	107 675
IT equipment	**20 049**	**(16 261)**	**3 788**	20 163	(16 443)	3 720
Leasehold improvements	**16 190**	**(12 048)**	**4 142**	16 571	(11 347)	5 224
Total	**247 092**	**(90 098)**	**156 994**	203 221	(77 333)	125 888

Reconciliation of property, plant and equipment

	Opening balance R '000	Additions R '000	Disposals R '000	Transfers R'000	Revaluations R'000	Foreign exchange translation R '000	Depreciation R '000	Total R '000
Group 2017								
Land	**440**	**-**	**-**	**-**	**-**	**-**	**-**	**440**
Buildings	**355**	**-**	**-**	**-**	**-**	**-**	**(10)**	**345**
Plant and machinery	**3 930**	**3 983**	**(9)**	**1 582**	**-**	**-**	**(1 180)**	**8 306**
Furniture and fixtures	**6 783**	**2 061**	**(179)**	**-**	**-**	**4**	**(2 748)**	**5 921**
Motor vehicles	**228 058**	**92 291**	**(4 621)**	**-**	**-**	**-**	**(26 107)**	**289 621**
IT equipment	**4 372**	**3 289**	**(46)**	**-**	**-**	**-**	**(2 748)**	**4 867**
Leasehold improvements	**11 490**	**4 167**	**(74)**	**(1 582)**	**-**	**-**	**(3 003)**	**10 998**
	255 428	**105 791**	**(4 929)**	**-**	**-**	**4**	**(35 796)**	**320 498**
Group 2016								
Land	1 640	-	-	(1200)	-	-	-	440
Buildings	1 156	-	-	(900)	116	-	(17)	355
Plant and machinery	3 305	1 405	-	-	-	-	(780)	3 930
Furniture and fixtures	7 650	2 037	(88)	-	-	-	(2 816)	6 783
Motor vehicles	227 487	31 058	(4 647)	-	-	-	(25 840)	228 058
IT equipment	6 431	1 789	(44)	-	-	5	(3 809)	4 372
Leasehold improvements	11 144	4 603	(114)	-	-	-	(4 143)	11 490
	258 813	40 892	(4 893)	(2 100)	116	5	(37 405)	255 428

9. PROPERTY, PLANT AND EQUIPMENT CONTINUED...

	Opening balance R '000	Additions R '000	Disposals R '000	Transfers R '000	Depreciation R '000	Total R '000
Company 2017						
Plant and machinery	**2 860**	**894**	**-**	**1 039**	**(566)**	**4 227**
Furniture and fixtures	**6 409**	**1 962**	**(158)**	**-**	**(2 615)**	**5 598**
Motor vehicles	**107 675**	**46 333**	**(2 864)**	**-**	**(11 905)**	**139 239**
IT equipment	**3 720**	**2 588**	**(25)**	**-**	**(2 495)**	**3 788**
Leasehold improvements	**5 224**	**2 113**	**(74)**	**(1 039)**	**(2 082)**	**4 142**
	125 888	**53 890**	**(3 121)**	**-**	**(19 663)**	**156 994**
Company 2016						
Plant and machinery	2 156	1 138	-	-	(434)	2 860
Furniture and fixtures	7 201	1 945	(77)	-	(2 660)	6 409
Motor vehicles	97 961	22 090	(1 157)	-	(11 219)	107 675
IT equipment	5 580	1 464	(41)	-	(3 283)	3 720
Leasehold improvements	4 768	2 874	(114)	-	(2 304)	5 224
	117 666	29 511	(1 389)	-	(19 900)	125 888

Freehold land comprises erven 781 and 782 in Hazyview-Vakansiedorp in extent 1 740 square metres.

The fair market value of the land above as been determined by registered independent valuers, H Tryhou Property Consultants. In determining the valuations at 30 September 2016, the valuator referred to current market conditions, recent sales transactions of similar properties in similar geographical locations and the present value of future rental income expected to be earned in respect of the properties in their current condition. In estimating the fair value of the properties, the highest and best use of the property is their current use.

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

10. GOODWILL

Group	**2017**			2016		
	Cost	**Accumulated impairment**	**Carrying value**	Cost	Accumulated impairment	Carrying value
Goodwill	**100 001**	**(2 599)**	**97 402**	100 030	-	100 030

Company	**2017**			2016		
	Cost	**Accumulated impairment**	**Carrying value**	Cost	Accumulated impairment	Carrying value
Goodwill	**59 787**	**-**	**59 787**	59 787	-	59 787

R'000	Opening balance	Foreign exchange movements	Impairment loss	Total
Group 2017				
Reconciliation of goodwill	**100 030**	**(29)**	**(2 599)**	**97 402**
Group 2016				
Reconciliation of goodwill	99 948	82	-	100 030

Goodwill acquired through business combinations has been allocated to cash generating units as follows:

	Group		Company	
R '000	**2017**	2016	**2017**	2016
Thompsons Travel Group	**1 875**	1 875	**1 875**	1 875
Thompsons Gateway Singapore (PTE) Ltd	**2 723**	2 752	**-**	-
Thompsons Africa	**4 430**	4 430	**4 430**	4 430
Thompsons Holidays	**4 500**	4 500	**4 500**	4 500
Hylton Ross Touring (Pty) Ltd	**11 602**	11 602	**-**	-
Central Boating (Pty) Ltd	**9 674**	9 674	**-**	-
Glacier Enterprises (Pty) Ltd	**-**	2 599	**-**	-
Springbok Atlas Touring and Coach Charter	**19 262**	19 262	**19 262**	19 262
Silverton Travel (Pty) Ltd t/a Edusport	**10 616**	10 616	**-**	-
Peak Incentives	**3 000**	3 000	**-**	-
Chester Finance	**29 720**	29 720	**29 720**	29 720
	97 402	100 030	**59 787**	59 787

For the Travel related business units, goodwill is tested for impairment by taking the expected future profits and applying a commercial price : earnings ratio to arrive at the valuation of the business. Price earnings ratio's of between 3 - 5 x profit after tax are used as the basis of valuation. No impairment was identified.

For the purpose of impairment testing of the non-travel business units, goodwill is allocated to the group's operating divisions which represent the lowest cash-generating unit within the Group at which the goodwill is monitored for internal management purposes. Discounted cash flow forecasts are done by management, and appropriate growth and discount rates, given the industry and location of the cash generating unit are applied to the forecast.

Impairment Review

Key assumptions used in value-in-use calculations include budgeted margins and budgeted sales or commission streams and budgeted costs. Such assumptions are based on historical results adjusted for anticipated future growth or where a specific event or contract is expected. These assumptions are a reflection of management's past experience in the market in which these units operate.

The discount rates and growth rates applied in reviewing goodwill are:

	Discount rate	Forecast cash flows for 5 years
Travel	7%	Year 1, budget, thereafter 0% - 3% annually
Coach Transportation	7%	Year 1, budget, thereafter 3% annually
Marine and Boating	7%	Year 1, budget, thereafter 1% annually
Financial Services	7%	Year 1, budget, thereafter 8% annually

An impairment charge is required for goodwill when the carrying amount exceeds the recoverable amount (higher of value in use and fair value less costs to sell). An impairment charge of R2.599m was recorded for the year ended 30 September 2017 (2016: nil), which comprises the write down of goodwill for Glacier Enterprises (Pty) Ltd as Directors were of the opinion that the trade finance business of Glacier Enterprises, acquired in 2012, presented excessive risk to the company without providing suitable, risk appropriate returns.

Aside from Glacier Enterprises, based upon the assumptions, management's calculations of recoverable amounts were greater than the carrying amounts for all other business units.

All impairment testing was consistent with methods applied as at 30 September 2016.

Sensitivity Analysis

If a reasonably possible change in the following key assumptions used by management were to occur the resulting impact on goodwill would be Rnil (2016: Rnil):

Budgets 10%

Discount rate 1%

Growth rate 3%

11. INTANGIBLE ASSETS

R '000	2017			2016		
Group	**Cost**	**Accumulated amortisation**	**Carrying value**	Cost	Accumulated amortisation	Carrying value
Computer software	**39 093**	**(18 050)**	**21 043**	34 530	(13 935)	20 595
Company						
Computer software	**38 316**	**(17 586)**	**20 730**	34 092	(13 508)	20 584

Reconciliation of intangible assets

R '000	Opening balance	Additions	Amortisation	Total
Group 2017				
Computer software	**20 595**	**6 276**	**(5 828)**	**21 043**
Group 2016				
Computer software	24 323	822	(4 550)	20 595
Company 2017				
Computer software	**20 584**	**5 937**	**(5 791)**	**20 730**
Company 2016				
Computer software	24 321	805	(4 542)	20 584

12. INVESTMENT IN SUBSIDIARIES

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

	2017	2016	2017	2016
Name of company	**% holding**	% holding	**Carrying amount**	Carrying amount
Cullinan Properties Ltd	**100,00 %**	100,00 %	**317**	317
Thompsons Indaba Safaris KZN (Pty) Ltd	**75,00 %**	75,00 %	*	*
Thompsons Gateway (PTE) Ltd - Singapore	**70,00 %**	70,00 %	**304**	304
Hylton Ross Tours (Pty) Ltd	**100,00 %**	100,00 %	**32 019**	32 019
Central Boating (Pty) Ltd	**100,00 %**	100,00 %	*	*
Glacier Enterprises (Pty) Ltd	**90,00 %**	90,00 %	*	1 170
Silverton Travel (Pty) Ltd	**90,00 %**	75,00 %	**17 616**	16 000
Springbok Atlas Namibia (Pty) Ltd	**100,00 %**	100 %	*	*
Cullinan Namibia (Pty) Ltd	**100,00 %**	- %	*	*
			50 256	49 810

* Signifies an amount less than R1 000.

12. INVESTMENT IN SUBSIDIARIES CONTINUED...

The non-controlling interests in subsidiaries are not considered material.

In March 2017, Cullinan acquired a dormant company, Cullinan Namibia (Pty) Ltd, and commenced trading as an Inbound Tour Operator.

In August 2017, Cullinan acquired a futher 15% of the shares in Silverton Travel (Pty) Ltd. As a result of this transaction, an amount of R308 000 was allocated against reserves and R1.308m against the non-controlling interest.

As explained in note 10, Glacier Enterprises (Pty) Ltd will continue to trade under limited circumstances with pre-existing customers. This decision was taken as the Directors were of the opinion that the business model followed by Glacier Enterprises (Pty) Ltd presented excessive risk to the company without providing commensurate, risk appropriate returns. As a result, the investment in Glacier was written down to nil.

13. INVESTMENT IN JOINT VENTURES

The following table lists all of the joint ventures in the group:

Group

	2017	2016	**2017**	2016
Name of company	**% holding**	% holding	**Carrying amount**	Carrying amount
Underneath Trading (Pvt) Limited	**50,00 %**	50,00 %	**13 723**	9 924
Kasane Fish Farms (Pvt) Limited t/ai	**50,00 %**	50,00 %	**3 375**	2 497
Cullinan Japan Limited	**25,00 %**	25,00 %	**899**	(440)
			17 997	11 981

Aggregated individual immaterial joint ventures accounted for using the equity method

	Group	
R'000	**2017**	2016
Carrying value of investments	**17 997**	11 981
Share of profit or loss from continuing operations	**6 239**	2 709
Share of total comprehensive income	**6 239**	2 709

Reporting period
The end of the reporting periods for the joint ventures differ to the group's reporting period therefore the management accounts as at 30 September 2017 have been used to reflect the summary of the joint ventures.

14. LOANS TO (FROM) GROUP COMPANIES

	Company	
R'000	**2017**	2016
Subsidiaries		
Cullinan Properties Ltd	**(3 577)**	(3 598)
Glacier Enterprises (Pty) Ltd	**19 522**	40 760
Central Boating (Pty) Ltd	**10 948**	10 121
Thompsons Gateway (PTE) Ltd - Singapore	**6 507**	7 077
Hylton Ross Tours (Pty) Ltd	**1 912**	15 257
Springbok Atlas Namibia (Pty) Ltd	**16 614**	9 865
Thompsons Indaba Safaris KZN (Pty) Ltd	**209**	462
Cullinan Namibia (Pty) Ltd	**3 372**	-
Silverton Travel (Pty) Ltd	**1 518**	-
	57 025	79 944

Terms - Cullinan Properties Limited
The loan is interest free, unsecured and is payable on demand. The loan is treated as a current account as Cullinan Properties Limited does not have a bank account.

Terms - Glacier Enterprises (Pty) Limited
The loan bears interest at current call rates earned by the group, is unsecured and is payable on demand, 366 days after the demand date. No payments are required in the next 12 months.

Terms - Central Boating (Pty) Limited/Thompsons Gateway (PTE) Limited - Singapore
These loans are interest free, unsecured and payable 366 days after the demand date. No payments are expected or required in the next 12 months.

Terms - Hylton Ross Tours (Pty) Limited/Springbok Atlas Namibia (Pty) Limited/ Thompsons Indaba Safaris KZN (Pty) Limited
A portion of the loans reflected are interest free. These are the intercompany loans used to facilitate day-to-day transactions. Where the loan is advanced to finance the purchase of vehicles, the loan bears interest at commercial deposit rates for money held on call. These loans are unsecured and have no fixed terms of repayment.

Terms - Cullinan Namibia (Pty) Limited/Silverton Travel (Pty) Limited
These loans are interest free, unsecured and have no fixed terms of repayment. These are the intercompany loans used to facilitate day-to-day transactions.

Non-current assets	**36 977**	57 958
Current assets	**23 625**	25 584
Current liabilities	**(3 577)**	(3 598)
	57 025	79 944

Credit quality of loans to group companies
All group companies are constantly managed and reviewed on a monthly basis, and in this manner the credit quality is constantly assessed.

Fair value of loans to and from group companies
The interest bearing loans bear interest at market related rates. The interest free loans have a limited repayment period. As a result of this, there is no material difference between the fair value of the loans and their carrying amounts.

15. DEFERRED TAX

	Group		Company	
R '000	**2017**	2016	**2017**	2016
Deferred tax liability	**(16 972)**	(12 223)	**-**	-
Deferred tax asset	**6 971**	4 703	**3 512**	2 557
Net deferred tax (liability) / asset at end of year	**(10 001)**	(7 520)	**3 512**	2 557
Reconciliation of net deferred tax (liability) / asset				
Net deferred tax (liability) / asset at beginning of year	**(7 520)**	(5 447)	**2 557**	2 701
Deferred tax expense / (income) related to the origination and reversal of temporary differences	**(2 481)**	(2 073)	**955**	(144)
	(10 001)	(7 520)	**3 512**	2 557
Deferred tax asset comprises				
Property, plant and equipment	**(11 859)**	(8 791)	**(12 583)**	(8 776)
Intangible assets	**(4 762)**	(4 881)	**(4 762)**	(4 881)
Provision for bad debts	**3 167**	2 561	**2 647**	1 791
Income received in advance	**3 656**	3 713	**3 622**	3 448
CGT on revaluation of investment properties	**(1 962)**	(1 962)	**(1 962)**	(1 962)
Other provisions	**16 909**	14 063	**16 550**	12 937
Assessed loss	**1 822**	-	**-**	-
	6 971	4 703	**3 512**	2 557
Deferred tax liability comprises				
Property, plant and equipment	**(19 351)**	(14 177)	**-**	-
Provision for bad debts	**26**	-	**-**	-
Income received in advance	**1 828**	2 472	**-**	-
CGT on revaluation of investment properties	**(616)**	(616)	**-**	-
Other provisions	**1 141**	98	**-**	-
	(16 972)	(12 223)	**-**	**-**

Use and sales rate

The deferred tax rate applied to the fair value adjustments of investment properties is determined by the expected manner of recovery. Where the expected recovery of the investment property is through sale, the capital gains tax rate of 22,4% (2016: 22,4%) is used. If the expected manner of recovery is through use, the normal tax rate of 28% (2016: 28%) is applied.

Tax loss for future setoff against taxable income	**6 507**	-	**-**	-

16. INVENTORIES

Merchandise	**36 312**	43 880	**16 298**	14 580
	36 312	43 880	**16 298**	14 580
Inventories – write-downs	**(4 360)**	(705)	**(4 360)**	(402)
	31 952	43 175	**11 938**	14 178
Inventories expensed during the year	**68 777**	109 754	**24 335**	19 771

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
R '000	**2017**	2016	**2017**	2016
Financial instruments				
Trade receivables	**481 229**	388 151	**443 300**	335 453
Sundry receivables	**20 341**	13 563	**18 140**	13 292
	501 570	401 714	**461 440**	348 745
Non-financial instruments				
Value-added Tax	**6 844**	3 568	**2 276**	2 757
Prepayments	**23 112**	30 043	**22 134**	29 855
Payments in advance	**3 972**	4 725	**2 566**	3 451
Deposits	**1 276**	1 164	**765**	681
	35 204	39 500	**27 741**	36 744
	536 774	441 214	**489 181**	385 489

Trade receivables for the financial divisions are interest bearing and terms range from 30 - 120 days.

Trade receivables for all other divisions are non-interest bearing and terms range from 30 - 45 days.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Fair value of trade and other receivables

Due to the short-term nature of trade and other receivables, the carrying amounts are a reasonable approximation of their fair value.

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

1 month past due date	**29 146**	30 426	**27 409**	24 998
2 months past due date	**12 111**	10 806	**10 835**	9 699
3 months past due date	**17 339**	14 620	**16 436**	14 275
	58 596	55 852	**54 680**	48 972

Trade and other receivables impaired

Reconciliation of provision for impairment of trade and other receivables

Opening balance	**12 538**	4 419	**8 529**	4 254
Provision for impairment	**6 465**	9 743	**4 074**	5 849
Amounts written off as uncollectable	**(3 502)**	(1 624)	**-**	(1 574)
	15 501	12 538	**12 603**	8 529

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The group does not hold any collateral as security.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	Group		Company	
R '000	**2017**	2016	**2017**	2016
Cash on hand	**650**	670	**338**	412
Bank balances	**246 327**	229 024	**219 870**	189 688
Bank overdraft	**(405)**	(353)	**-**	-
	246 572	229 341	**220 208**	190 100
Current assets	**246 977**	229 694	**220 208**	190 100
Current liabilities	**(405)**	(353)	**-**	-
	246 572	229 341	**220 208**	190 100

Credit quality of cash and cash equivalents

The company only deposits cash with major banks and institutions with high quality credit standing.

Fair value of cash and cash equivalents

Due to the short-term nature thereof, the carrying amounts approximates fair value.

19. SHARE CAPITAL

Authorised

Ordinary share capital				
3 412 375 874 Ordinary shares of 1 cent each	**34 124**	34 124	**34 124**	34 124
Preference share capital				
500 000 5.5% Cumulative preference shares of R2 each	**1000**	1000	**1000**	1000
42 604 574 redeemable preference shares of 0.01 cent each	**4**	4	**4**	4
100 000 variable rate redeemable cumulative preference shares of 1 cent each	**1**	1	**1**	1
100 000 convertible variable rate cumulative redeemable preference shares of R85 each	**8 500**	8 500	**8 500**	8 500
25 000 Cumulative redeemable convertible preference shares of 1 cent each	*	*	*	*
	9 505	9 505	**9 505**	9 505

* Signifies an amount less than R1 000

Issued Shares				
Ordinary Share Capital				
803 738 385 (2016: 800 173 385) Ordinary shares of 1 cent each				
Opening balance	**8 002**	8 002	**8 002**	8 002
Share options exercised	**35**	-	**35**	-
Closing balance	**8 037**	8 002	**8 037**	8 002
Preference share capital				
500 000 (2016: 500 000) 5.5% Cumulative preference shares of R2 each	**546**	546	**546**	546
Share Premium				
Opening balance	**149 086**	149 086	**149 086**	149 086
Share options exercised	**6 739**	-	**6 739**	-
Transfer from reserves	**20 880**	-	**20 880**	-
Closing balance	**176 705**	149 086	**176 705**	149 086

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

20. LOANS FROM SHAREHOLDERS

	Group		Company	
R '000	**2017**	2016	**2017**	2016
Travcorp Financial Services Limited	**(45 000)**	(45 000)	**(45 000)**	(45 000)

The loan bears interest at prime less 1,25%, is unsecured and has no fixed terms of repayment. No payments are expected or required in the next 12 months. Interest is paid on a monthly basis.

The loan will only become payable on provision of 6 months notice by either party. Notice can only be given on or after 1 November 2018.

Fair value of loans from shareholders

The carrying amount approximates the fair value as the loan bears interest at market related interest rates.

21. TRADE AND OTHER PAYABLES

Financial instruments				
Trade payables	**436 735**	384 211	**430 853**	384 735
Non-financial instruments				
Deposits	**114 302**	107 163	**102 268**	92 892
Value-added tax	**6 671**	6 673	**5 442**	5 105
Accruals	**92 327**	77 460	**82 420**	69 036
	213 300	191 296	**190 130**	167 033
	650 035	575 507	**620 983**	551 768

Fair value of trade and other payables
Due to the short-term nature of trade and other payables, the carrying amounts are a reasonable approximation of their fair value.

22. CASH GENERATED FROM OPERATIONS

Trading profit	**116 950**	99 606	**87 158**	59 395
Adjustments for:				
Depreciation and amortisation	**41 624**	41 955	**25 454**	24 442
Losses on disposal of property, plant and equipment	**194**	573	**53**	194
Unrealised foreign exchange (gains) / losses	**948**	2 560	**3 438**	1 894
Movements in operating lease accruals	**1 972**	2881	**1 822**	2 287
Movements in provisions	**6 071**	400	**6 071**	400
Share-based payment expense	**5 307**	5 339	**5 307**	5 339
Group expenses	**-**	-	**3 300**	-
Investment write off	**-**	-	**1 170**	-
Goodwill impairment	**2 599**	-	**-**	-
Bad debt provision	**6 465**	-	**7 348**	-
Stock provision	**3 655**	-	**3 958**	-
Changes in working capital:				
Inventories	**7 568**	17 251	**(1 718)**	(2 189)
Trade and other receivables	**(102 025)**	16 433	**(107 661)**	(82 007)
Trade and other payables	**74 528**	49 825	**69 327**	154 463
Group loans trading in nature	**-**	-	**(4 758)**	-
	165 856	236 823	**100 269**	164 218

Certain non-cash items have been disclosed in the current year as the amounts are considered material. These were not disclosed seperately in prior years as they were not considered material.

23. TAX PAID

R '000	Group 2017	Group 2016	Company 2017	Company 2016
Balance at beginning of the year	**9 425**	9 733	**9 041**	7 797
Tax expense	**(33 357)**	(30 195)	**(27 867)**	(20 741)
Balance at end of the year	**(4 061)**	(9 425)	**(3 181)**	(9 041)
	(27 993)	(29 887)	**(22 007)**	(21 985)

24. DIVIDENDS PAID

Balance at beginning of the year	**(17)**	(8 019)	**(17)**	(8 019)
Dividends	**(16 035)**	(16 003)	**(16 035)**	(16 003)
Balance at end of the year	**17**	17	**17**	17
	(16 035)	(24 005)	**(16 035)**	(24 005)

25. FINANCIAL ASSETS BY CATEGORY

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

R'000	Loans and receivables	Fair value through profit or loss - held for trading	Total
Group 2017			
Trade and other receivables	**501 570**	**-**	**501 570**
Other financial assets	**-**	**1 763**	**1 763**
Cash and cash equivalents	**246 977**	**-**	**246 977**
	748 547	**1 763**	**750 310**
Group 2016			
Trade and other receivables	401 714	-	401 714
Other financial assets	-	3 829	3 829
Cash and cash equivalents	229 694	-	229 694
	631 408	3 829	635 237
Company 2017			
Loans to group companies	**60 602**	**-**	**60 602**
Trade and other receivables	**461 440**	**-**	**461 440**
Other financial assets	**-**	**1 758**	**1 758**
Cash and cash equivalents	**220 208**	**-**	**220 208**
	742 250	**1 758**	**744 008**
Company 2016			
Loans to group companies	83 542	-	83 542
Trade and other receivables	348 745	-	348 745
Other financial assets	-	3 829	3 829
Cash and cash equivalents	190 100	-	190 100
	622 387	3 829	626 216

26. FINANCIAL LIABILITIES BY CATEGORY

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

R'000	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Total
Group 2017			
Loans from shareholders	**45 000**	**-**	**45 000**
Other financial liabilities	**-**	**15**	**15**
Trade and other payables	**436 735**	**-**	**436 735**
Bank overdraft	**405**	**-**	**405**
Preference share liability	**500**	**-**	**500**
Dividends payable	**17**	**-**	**17**
	482 657	**15**	**482 672**
Group - 2016			
Loans from shareholders	45 000	-	45 000
Other financial liabilities	-	942	942
Trade and other payables	384 211	-	384 211
Bank overdraft	353	-	353
Preference share liability	500	-	500
Dividends payable	17	-	17
	430 081	942	431 023

R'000	Financial liabilities at amortised cost	Fair value through profit or loss - held for trading	Total
Company 2017			
Loans from group companies	**3 577**	**-**	**3 577**
Loans from shareholders	**45 000**	**-**	**45 000**
Trade and other payables	**430 853**	**-**	**430 853**
Preference share liability	**500**	**-**	**500**
Dividends payable	**17**	**-**	**17**
	479 947	**-**	**479 947**
Company - 2016			
Loans from group companies	3 598	-	3 598
Loans from shareholders	45 000	-	45 000
Trade and other payables	384 735	-	384 735
Preference share liability	500	-	500
Dividends payable	17	-	17
	433 850	-	433 850

27. RELATED PARTIES

Relationships

Ultimate holding company	The Travel Corporation Ltd
Holding company	Alpine Asset Management Ltd
Subsidiaries	Refer to note 12
Joint ventures	Refer to note 13
Associates	Paddle Safaris (Pvt) Ltd
Fellow subsidiaries	Motolla Property Investment (Pty) Ltd
Members of key management	Key management personnel are considered to consist of all the directors of the company listed on page 7 to 8 of this report and senior management within the group.

Related party balances

	Group		Company	
R'000	**2017**	2016	**2017**	2016
Loan accounts - owing (to) by related parties:				
Shareholders (refer note 20)	**(45 000)**	(45 000)	**(45 000)**	(45 000)
Subsidiaries (refer note 14)	**-**	-	**57 025**	79 944
Paddle Safaris (Pvt) Ltd	**642**	648	**642**	648
Amounts included in trade receivable regarding related parties				
Central Boating (Pty) Ltd	**-**	-	**224**	125
Hylton Ross Tours (Pty) Ltd	**-**	-	**584**	2 633
Springbok Atlas Namibia (Pty) Ltd	**-**	-	**-**	86
Thompsons Gateway (PTE) Limited - Singapore	**-**	-	**7 068**	3 334
Thompsons Indaba Safaris KZN (Pty) Ltd	**-**	-	**-**	43
Amounts included in trade payable regarding related parties				
Central Boating (Pty) Ltd	**-**	-	**32**	74
Hylton Ross Tours (Pty) Ltd	**-**	-	**10 623**	12 940
Springbok Atlas Namibia (Pty) Ltd	**-**	-	**779**	509
Thompsons Indaba Safaris KZN (Pty) Ltd	**-**	-	**1 385**	759
Silverton Travel (Pty) Ltd	**-**	-	**10**	-
Glacier Enterprises (Pty) Ltd	**-**	-	**63**	-
Joint Ventures	**4 915**	4 428	**4 915**	4 428

Related party transactions

Interest paid to (received from) related parties:				
Shareholders	**4 140**	5 268	**4 140**	5 268
Subsidiaries	**-**	-	**(1 417)**	(2 452)
Purchases from related parties				
Central Boating (Pty) Ltd	**-**	-	**589**	581
Hylton Ross Tours (Pty) Ltd	**-**	-	**64 577**	16 108
Springbok Atlas Namibia (Pty) Ltd	**-**	-	**6 527**	3 575
Thompsons Indaba Safaris KZN (Pty) Ltd	**-**	-	**6 980**	4 036
Joint ventures	**30 003**	26 713	**30 003**	26 713
Sales to related parties				
Central Boating (Pty) Ltd	**-**	-	**1 442**	1 276
Hylton Ross Tours (Pty) Ltd	**-**	-	**6 391**	4 571
Springbok Atlas Namibia (Pty) Ltd	**-**	-	**-**	2 030
Thompsons Indaba Safaris KZN (Pty) Ltd	**-**	-	**24**	-
Silverton Travel (Pty) Ltd	**-**	-	**27**	-
Rent paid to related parties:				
Motolla Property Investments (Pty) Ltd	**27 806**	24 293	**22 581**	19 161

28. DIRECTORS' EMOLUMENTS

	Short-term				Long-term		
R'000	Salary	Performance bonus	Share options exercised	Directors fees	Contribution to retirement funds	Share appreciation rights	Total
2017							
Executive							
M Tollman	**1 824**	**1 250**	**-**	**-**	**-**	**-**	**3 074**
D Standage	**1 639**	**750**	**-**	**-**	**58**	**-**	**2 447**
L Pampallis	**2 025**	**750**	**-**	**-**	**71**	**-**	**2 846**
L Tollman	**607**	**150**	**-**	**-**	**21**	**-**	**778**
Non-executive							
R Arendse	**-**	**-**	**-**	**165**	**-**	**-**	**165**
M Burton	**-**	**-**	**-**	**98**	**-**	**-**	**98**
A Mendiratta	**-**	**-**	**-**	**32**	**-**	**-**	**32**
Prescribed officers							
B Allison	**1 303**	**750**	**-**	**-**	**45**	**-**	**2 098**
Key Management	**16 182**	**9 981**	**2 610**	**-**	**1 165**	**-**	**29 938**
2016							
Executive							
M Tollman	1 714	750	-	-	-	-	2 464
D Standage	1 526	500	-	-	74	75	2 175
L Pampallis	1 897	500	-	-	92	75	2 564
L Tollman	787	150	-	-	38	75	1 050
Non-executive							
R Arendse	-	-	-	167	-	-	167
S Nhlumayo	-	-	-	20	-	-	20
Prescribed officers							
B Allison	1 214	500	-	-	59	226	1 999
Key Management	14 169	10 240	-	-	1 185	1 130	26 724

All directors' emoluments are paid by the company.

D Hosking and G Tollman did not earn emoluments during the year.

M Tollman, L Pampallis, L Tollman and D Standage have employment contracts with the company, the terms of which are similar to standard employment contracts entered into with other employees.

No directors hold any direct or indirect beneficial interests in the company except for the share options noted in note 29.

29. SHARE-BASED PAYMENTS

	Share options		Share option scheme	
	Number	Exercise price (cents)	Number	Exercise price (cents)
Outstanding at the beginning of the year	10 100 000	10	7 625 000	90
Exercised during the year	(3 565 000)	10	-	90
Forfeited during the year	360 000	10	(610 000)	90
Outstanding at the end of the year	6 895 000	10	7 015 000	90
Exercisable at the end of the year	6 895 000	10	-	90

Share Options

The company entered into an arrangement to issue a number of share options to staff in November 2012.

These share options were granted to selected employees. The exercise price of the granted options is 10 cents per option.

Options are conditional on the employee completing either four or five year's of service (the vesting period). The options are exercisable after the vesting period from the grant date. When the options are exercised the participants will receive shares equal in value to the number of options exercised. Should an option be forfeited, the option will be cancelled.

Share Option Scheme

These share options were granted to selected employees. The exercise price of the granted options is 90 cents per option.

Options are conditional on the employee completing either four or five year's of service (the vesting period). The options are exercisable after the vesting period from the grant date. When the options are exercised the participants will receive shares equal in value to the number of options exercised. Should an option be forfeited, the option will be cancelled.

Number of share options held by directors

	Average exercise price in cents per share	Number of options at 30 Sep
D Standage		
Balance at the beginning and end of period	90	250 000
L Pampallis		
Balance at the beginning and end of period	90	250 000
L Tollman		
Balance at the beginning and end of period	90	250 000

Fair value was determined by the Black Scholes valuation model. The following inputs were used:

- The share price ruling on the last day of the period - 151 cents,
- Exercise price - 10 cents and 90 cents,
- A volatility percentage of 82%,
- The remaining option life,
- Expected dividends,
- The risk-free interest rate of 8.45%,

Total expenses of R 5.307m (2016 : R5.339m) related to equity-settled share based payments transactions were recognised in 2017 and 2016 respectively.

30. COMMITMENTS

Operating leases – as lessee (expense)

	Group		Company	
R '000	**2017**	2016	**2017**	2016
Minimum lease payments due				
- within one year	**29 344**	25 144	**23 045**	18 236
- in second to fifth year inclusive	**65 173**	81 510	**42 562**	51 127
- later than five years	**10 724**	2 219	**10 255**	2 219
	105 241	108 873	**75 862**	71 582

Operating lease payments represent rentals payable by the group for certain of its office properties. Leases are negotiated for an average term of three to ten years, with an average escalation of between 8% to 10%. No contingent rent is payable.

Guarantees				
Bank guarantees in favour of creditors	**13 448**	14 062	**13 448**	14 062

The group provides guarantees through their banks which are to secure credit facilities with airlines, customs, parks boards and other suppliers, and as security for leased premises.

These guarantees have been secured by a pledge of cash held on call by Standard Bank. The company has signed as surety for the general bank facilities for Central Boating (Pty) Limited and Glacier Enterprises (Pty) Limited in favour of Standard Bank. Neither company had any borrowings with Standard Bank at year end.

Other than these guarantees, the general banking facilities within the company and group are unutilised at 30 September 2017 and 2016. Trade facilities have been utilised for forward exchange contracts to the extent of R27million (2016 : R49 million) at year-end.

31. CONTINGENCIES

Pension fund matter

In 1999, Cullinan Holdings Ltd (Cullinan) 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 Cullinan has co-operated fully in this regard and will continue to do so. These transactions form the subject matter of the legal action referred to in the penultimate paragraph of this note.

During March and April 2002, and as part of a larger transaction in terms of which Midmacor Industries Limited and associated companies were sold by Cullinan, an indemnity was given to Cullinan 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 Cullinan. The new controlling shareholder, who had no previous interest in Cullinan or involvement with the pension funds, secured indemnity referred to above as part of the sale transaction. These indemnities will be relied upon in the event of a claim being successful against Cullinan.

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

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

32. RISK MANAGEMENT

Capital risk management

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

The capital structure of the group consists of debt, which includes the borrowings disclosed in note 20, cash and cash equivalents disclosed in note 18, and equity as disclosed in the statement of financial position.

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

Consistent with others in the industry, the group monitors capital on the basis of the total borrowings as a percentage of equity. The debt/equity rate at year end was 7.8% (2016 : 9,18%). Based upon guidance provided by the company bankers, the group has a debt/equity capacity of between 35% - 48%. The group is therefore of the opinion that it is meeting its capital management objectives.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk.

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and utilised borrowing facilities are monitored.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

R'000	Less than 1 year	1 to 5 years	Over 5 years
At 30 September 2017			
Borrowings	**-**	**45 000**	**-**
Preference shares	**-**	**-**	**500**
Trade and other payables	**436 735**	**-**	**-**
Other financial liabilities	**15**	**-**	**-**
Bank overdraft	**405**	**-**	**-**
Preference dividends	**17**	**-**	**-**
At 30 September 2016			
Borrowings	-	45 000	-
Foreign exchange contracts and hedges	438 993	10 427	-
Preference shares	-	-	500
Trade and other payables	384 211	-	-
Other financial liabilities	942	-	-
Bank overdraft	353	-	-
Preference dividends	17	-	-

Company

R'000	Less than 1 year	1 to 5 years	Over 5 years
At 30 September 2017			
Borrowings	**-**	**45 000**	**-**
Preference shares	**-**	**-**	**500**
Trade and other payables	**430 853**	**-**	**-**
Loans from subsidiaries	**3 577**	**-**	**-**
Preference dividends	**17**	**-**	**-**
At 30 September 2016			
Borrowings	-	45 000	-
Foreign exchange contracts and hedges	432 691	10 427	-
Preference shares	-	-	500
Trade and other payables	384 735	-	-
Loans from subsidiaries	3 598	-	-
Preference dividends	17	-	-

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 cash-flow interest rate risk.

During the year the company entered into a loan from its major shareholder and hence has been exposed to interest rate risk of these borrowings. The group's borrowings are denominated in Rand and the group has not entered into any derivative contracts to limit this exposure.

Effective interest rate on cash on call is approximately 7.5% (2016 : 8%).

At 30 September 2017, if interest rates had been 1% higher, or 1% lower, with all other variables held constant, post tax profit would have been R1.044million (2016: R118 000) higher and lower for the group respectively.

Credit risk

Credit risk is managed on a group basis other than trade debtors which is managed by the units.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments, trade debtors and loans to group companies.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit committee for financial services or by the buisness unit for the rrade debtors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Through the acquistion of Chester Finance, the credit risk profile of the group altered. Credit risk in this unit is managed as follows:

- The board has set prudential limits for all clients
- All facilities offered are fully secured
- The credit committee meets weekly
- Certain clients are insured through an established credit insurer

The company is exposed to a number of guarantees for credit provided by suppliers as disclosed in note 30.

Refer to note 25 and 30 for the group's maximum exposure to financial assets at year-end.

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Cullinan Holdings group is subject to foreign exchange risk. The most material risks originate through the sale of travel packages to local travellers. The packages are primarily in US dollars, Euros and Mauritian Rupees. The group has a policy that these foreign liabilities will be fully hedged. The group also sells travel packages to some foreign customers, where the contract is determined in foreign currency, primarily US dollars and Euros. The group policy is for the treasury devision to consider these contracts and to hedge between 50% and 100% of the expected exposure. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the group use forward contracts.

For segment reporting purposes, each subsidiary designates contracts with group treasury as fair value hedges or cash flow hedges, as appropriate. External foreign exchange contracts are designated at group level as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis.

Foreign currency exposure at the end of the reporting period

	Group	
Foreign Currency '000	**2017**	2016
Current assets - cash balances		
GBP	**2**	61
USD	**1 361**	4 665
EUR	**221**	746
Current assets - trade debtors		
GBP	**105**	35
USD	**1 415**	1 596
EUR	**116**	126
Current liabilities - trade payables		
GBP	**(125)**	(83)
MUR	**(45 207)**	(37 233)
USD	**(4 438)**	(5 223)
EUR	**(889)**	(791)
Exchange rates used for conversion of foreign items were:		
GBP	**18.1752**	17.8606
MUR	**0.3969**	0.3742
USD	**13.5666**	13.7327
EUR	**16.0294**	15.4105

32. RISK MANAGEMENT CONTINUED...

Forward exchange contracts which relate to future commitments

	Maturity date range (from - to)		Maturity rate range (from - to)		Contracts to buy	Contracts to sell	Net Commitment
GBP	06/10/2017	31/01/2018	18.10	18.50	40	-	40
MUR	31/10/2017	28/02/2018	0.41	0.42	46 208	-	46 208
USD	31/10/2017	27/09/2018	13.55	13.87	2 760	(3 345)	(585)
EUR	16/10/2017	31/01/2019	17.65	17.65	819	(3 600)	(2 781)

The group reviews its foreign currency exposure, including commitments on an ongoing basis.The company utilises forward exchange contracts and cash holdings in foreign currency to hedge against foreign exchange exposure.

Sensitivity Analysis

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

	Year-end spot rate	Rand appreciation/ (depreciation) %	Effect on Group R '000
2017			
- GBP	18.1752	10	(40)
		(10)	40
- MRU	0.3969	10	(40)
		(10)	40
- USD	13.5666	10	3 048
		(10)	(3 048)
- EUR	16.0294	10	5 343
		(10)	(5 343)
2016			
- GBP	17.8606	10	73
		(10)	(73)
- MRU	0.3742	10	(1)
		(10)	1
- USD	13.7327	10	(3 251)
		(10)	3 251
- EUR	15.4105	10	5 360
		(10)	(5 360)

33. SEGMENTAL INFORMATION

The group has identified four reportable segments which represent the structure used by the chief executive officer to make key operating decisions and assess performance.

The group's reportable segments are operating segments which are differentiated by the activities that each undertake and markets they operate in. These reportable segments as well as the products and services from which each of them derives revenue are set out below:

33. SEGMENTAL INFORMATION CONTINUED...

Reportable Segment	Products and services
Travel and tourism	Wholesale, retail and coaching and touring services to local and international markets. The business units included in this segment are reflected on page 3 to 5.
Marine and boating	Supplies products to local yachting, power boat and scuba diving industries. The business units included in this segment are reflected on page 6.
Financial services	Provision of trade finance to customers of the group. The business units included in this segment are reflected on page 6.
Corporate services	Provides support to the group. The business units included in this segment are reflected on page 6.

Segmental revenue and results

The chief executive officer assesses the performance of the operating segments based on the measure of trading profit and profit before tax.

No single customer contributes more than 10% of the group's revenue. Transactions within the group take place on an arms length basis.

The segment information provided to the chief executive officer is presented below.

R'000	Total segment revenue	Inter-segment revenue	Revenue from external customers	Profit before taxation
2017				
Travel and tourism	**879 015**	**(2 876)**	**876 139**	**166 574**
Marine and boating	**76 752**	**(366)**	**76 386**	**5 730**
Financial services	**53 914**	**2 876**	**56 790**	**19 681**
Corporate services	**4 754**	**366**	**5 120**	**(64 196)**
	1 014 435	**-**	**1 014 435**	**127 789**
2016				
Travel and tourism	852 893	999	853 892	132 044
Marine and boating	69 663	264	69 927	5 424
Financial Services	115 481	(1 263)	114 218	14 470
Corporate services	2 637	-	2 637	(48 548)
	1 040 674	-	1 040 674	103 390

The assets and liabilities of the group are reported to the chief executive officer on a consolidated basis.

Geographical Information

R'000	Total segment revenue	Profit before taxation
2017		
South Africa	**983 639**	**118 270**
Rest of the World	**30 794**	**9 519**
	1 014 435	**127 789**
2016		
South Africa	1 018 645	98 778
Rest of the World	22 029	4 612
	1 040 674	103 390

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES			
Revenue recognition			
Services rendered and commissions	Financial services	Sale of goods	Miscellaneous
Expenses			
Employment costs	Operating lease charges	Foreign exchange gains/losses	Commissions paid
Group Accounting			
Subsidiaries	Joint ventures	Associates	Translation of foreign currencies
Operating Assets			
Property, plant and equipment	Goodwill	Intangible assets	Inventories
Financial Instruments			
Loans and receivables	Financial assets at fair value through profit and loss	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss
Capital and Reserves			
Share capital and equity			
Taxation			

These accounting policies are consistent with the previous period.

BASIS OF PREPARATION			
The financial statements have been prepared using a combination of the historical cost and fair value basis of accounting.			
Prepared in accordance with			
International Financial Reporting Standards (IFRS), SAICA Financial Reporting Guides, International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) standards and interpretations	JSE Listing Requirements	Companies Act, 71 of 2008	Going concern principles
Functional - and presentation currency			
South African Rand			
Rounding principles			
R'000 (Thousand)			
Foreign currency transactions			
Procedures followed to translate to presentation currency			
In the group financial statements, the results and financial position of a foreign operation are translated into Rand using the following procedures: - Monetary assets and liabilities for each statement of financial position presented are translated at the closing rate at reporting date. - Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. - Income and expenses for each statement of profit or loss and other comprehensive Income are translated at exchange rates at the dates of the transactions or, where exchange differences did not fluctuate significantly, at the average exchange rates for the period.			

REVENUE

Revenue as consists of Turnover as categorised below, and other income.

		Includes	Recognition	Measurement
Turnover	Sale of goods	Sale of goods to boat builders, leisure equipment and other goods	Revenue from the sale of goods is recognised when all the following conditions have been satisfied: • the group has transferred to the buyer the significant risks and rewards of ownership of the goods with no further management involvement; • the amount of revenue can be measured reliably; • it is probable that the economic benefits associated with the transaction will flow to the group; and • the costs incurred or to be incurred in respect of the transaction can be measured reliably.	Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.
	Rendering of services : Fees	Fees earned on travel services rendered	Travel service fees for Inbound Tour Operators are recognised on the date of commencement of travel (the booking). For the Corporate Travel agencies, fees are recognised on finalisation of the booking (Confirmation by the customer).	Fee revenue is measured at the fair value of the consideration received or receivable less the cost of the services payable to suppliers for the transaction (booking) in the normal course of business and net of value added tax.
	Rendering of services : Commissions	Commissions earned on travel services rendered	Commission is recognised on the finalisation of the transaction (booking). A booking is considered finalised upon receipt of the full amount due for the booking.	Commission revenue is measured at the fair value of the consideration received or receivable less the cost of the services payable to suppliers for the transaction (booking) and less commissions due to travel agencies where relevant and in the normal course of business and net of value added tax.
	Financial services interest	Fees and interest on financial services	Fees charged for financial services are recognised upon the initial drawdown of funds by the customer at which point the fee is earned and not refundable. Interest is recognised, in profit or loss, over the duration of the transaction, using the effective interest rate method.	Fee revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for the provision of financial services provided in the normal course of business and net of value added tax.
	Miscellaneous	Rebates received, unbilled supplier invoices and incentives.	Incentives and rebates from suppliers are recognised when the terms of the contract to which the rebate relates have been met and the amount is quantifiable. Unbilled supplier invoices are recognised when there is reasonable certainty that the amount will not need to be paid.	Revenue is measured at the fair value of the consideration received or receivable in the normal course of business, net of value added tax.
Investment income	Interest		Interest is recognised in profit or loss.	Interest is measured using the effective interest rate method.
	Dividend income		Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.	Dividends are measured at the gross amount declared per share.

EMPLOYEE BENEFITS	
Short-term employee benefits	
Includes:	Sick leave, bonuses, sales commissions and incentives, profit share, fringe benefits, provident and life insurance contributions and medical aid payments.
Accounting treatment:	The expected cost of sales commissions and incentives, profit-sharing and bonus payments is recognised in the period in which the service is rendered and is not discounted. It is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. The expected cost of short-term accumulating absences is recognised as the employees render services that increase their entitlement or, in the case of non-accumulating leave, when the absence occurs. Accrued leave is measured as the amount that the company expects to pay as a result of unused entitlement that has accumulated to the employees at the reporting date.
Post-employment benefits	
Defined contribution plan	The group are members of the Vitae Umbrella Provident Fund, a fund governed by the Pension Funds Act, 24 of 1956. The group contributes a monthly contribution to these funds and does not bear any further responsibility thereafter.
Accounting treatment:	The contributions are recognised as employee benefit expense when the related service is rendered.
Share based payments	
Description	The group operates two equity-settled share based compensation plans as described in note 29, under which the employees received a right to acquire equity instruments of the group at a set exercise price if they work for a set period of time.
Accounting treatment:	The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense over the vesting period. The total amount to be expensed is determined by reference to the fair value of the granted shares: – including any market performance conditions; – excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and – less, the exercise price payable. At the end of each reporting period, the group revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

LEASES

Cullinan leases premises and equipment by means of 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.

COMMISSIONS PAID

Commissions paid include amounts paid or accrued to independent travel consultants, and external agents for the commission on sale of goods.

CONSOLIDATION

SUBSIDIARIES
Recognition and measurement
Company: Investments in subsidiaries are measured at cost less any accumulated impairment. Group: Business combinations are accounted for using the acquisitions method. When the group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the group’s accounting policies as well as the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Subsidiaries are consolidated from the date of acquisition, which is the date on which the group obtains control of the subsidiary and continue to be consolidated until the date that control ceases.
Non-controlling interest
Non-controlling interests, included separately within equity, are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition, adjusted for their share of profits thereafter.

CONSOLIDATION CONTINUED...

Intercompany transactions

All intergroup balances, transactions, income and expenses are eliminated in full in the consolidated financial statements.

Translation of foreign currencies

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Rand at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Rand at the exchange rates at the dates of the transactions.

INVESTMENT IN JOINT VENTURES AND ASSOCIATES

Recognition and measurement

Company:
Investments in joint ventures and associates are measured at cost less any accumulated impairment.

Group:
Joint ventures and associates are accounted for using the equity method. Interest in equity-accounted investees are initially recognised at cost with the carrying amount adjusted to recognise the group's share of the profit and loss and other comprehensive income of the associate after acquisition less any dividends received. The Group's investment in joint ventures includes goodwill recognised on acquisition.

In instances where the year-ends of equity-accounted investees differ from that of the group, monthly management accounts are used to ensure information is reported coterminous with the group's year-end.

PROPERTY, PLANT AND EQUIPMENT

<table>
<tr><th>Categories</th><th>Initial measurement</th><th>Subsequent measurement</th><th>Depreciation method</th><th>Impairment</th></tr>
<tr><td>Land</td><td rowspan="6">Cost #</td><td>Carried at the revaluated* amount (Fair value less depreciation and accumulated impairment losses)</td><td rowspan="5">Land is not depreciated. All other property, plant and equipment is depreciated on a straight-line basis over the useful lives to its residual value.</td><td rowspan="6">No impairment indicators were noted during the year and no impairment was recognised.</td></tr>
<tr><td>Plant and machinery</td><td rowspan="5">Cost less accumulated depreciation and accumulated impairment losses</td></tr>
<tr><td>Furniture and fixtures</td></tr>
<tr><td>Motor vehicles</td></tr>
<tr><td>IT equipment</td></tr>
<tr><td>Leasehold improvements</td><td>Depreciated over the length of the lease period</td></tr>
</table>

* Revaluations are recognised through other comprehensive income to the revaluation reserve in equity. External valuations are performed every 3 years.

Property, plant and equipment is initially measured at cost including all of the expenditure which is directly attributable to the acquisition.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	20 years
Plant and machinery	5 to10 years
Furniture and fixtures	5 to 13 years
Motor vehicles	4 to 8 years
IT equipment	3 to 4 years

CONTINUED

GOODWILL				
Categories	Initial measurement	Subsequent measurement	Amortisation method	Impairment
Goodwill	Consideration paid in business combination less fair value of net assets acquired. (Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the presentation currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.)	Initial cost less any impairment. Impairments are not subsequently reversed.	Goodwill is not amortised.	Allocated to cash generating units for impairment testing. Tested annually for impairment.

OTHER INTANGIBLE ASSETS				
Categories	Initial measurement	Subsequent measurement	Amortisation method	Impairment
Custom generated software	Capitalised cost.	Cost less accumulated amortisation and any impairment losses.	Amortised on a straight-line basis over their estimated useful lives.	No impairment indicators were noted during the year and no impairment was recognised.

The intangible asset recognised within Cullinan relates to development costs for the travel management software utilised within the Inbound and Outbound tour operating businesses. This has been recognised as the system is in use and generating economic benefits expected to be realised over 8 years, with a remaining expected useful life of 5 years.

INVENTORIES

The group's inventory consists of marine supplies for boat builders within the marine segment. Within the financial services segment, inventory is purchased and held on behalf of the client for which it is carried. The nature of this inventory will vary dependent upon the client. Inventory is carried at the lower of cost and its net realisable value.

The cost of inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

When inventories are sold, the carrying amount of those inventories is recognised as a cost of sales expense in the period in which the related revenue is recognised.

FINANCIAL INSTRUMENTS			
Financial assets			
Financial assets are recognised on trade date, when the group commits to purchase or sell the asset.			
Classification	Instruments included in the classification and the criteria for classification	Initial measurement	Subsequent measurement
Loans and receivables	Including Trade and other receivables, Loans and other receivables and Cash and cash equivalents	Fair value plus direct transaction costs	Amortised costs using the effective interest rate method, less any impairment
Financial assets at fair value through profit and loss	Foreign exchange contracts #	Fair value, transaction costs recognised immediately in profit	Fair value, with adjustments recognised directly to profit
Impairment			
Criteria the entity uses to determine that there is objective evidence that an Impairment loss has occurred (including measurement)	Loans and receivables: Trade and other receivables An estimate of any impairment is made to a provision account through the statement of comprehensive income on individual receivables. Objective evidence that the collection of the full amount under the original terms of the invoice is no longer probable would include indicators such as significant financial difficulties of the debtor, probability that the debtor will enter bankrupcy or financial reorganisation, and default or delinquency of payments. Impaired debts are derecognised when they are assessed as uncollectible. Loans and other receivables Significant financial difficulties of the debtor, probability that the debtor will enter bankrupcy and default of payments are all considered indicators of impairment.		
Financial Liabilities			
Classification	Instruments included in the classification and the criteria for classification	Initial measurement	Subsequent measurement
Financial liabilities at amortised cost	Including Interest-bearing borrowings, Trade and other payables and Bank overdrafts	Fair value plus direct transaction costs	Amortised costs using the effective interest rate method.
Financial liabilities at fair value through profit and loss	Foreign exchange contracts #	Fair value, transaction costs recognised immediately in profit	Fair value, with adjustments recognised directly to profit

Foreign exchange contracts are used to hedge the Group's risk associated with currency fluctuations. The fair value of these instruments is calculated by reference to the current forward exchange rates with similar maturity profiles.

Where these have a positive value, they are classified as financial assets and where they have a negative value they are classified as financial liabilities.

Financial instruments are derecognised when they are received, settled or the obligation is extinguished.

SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. The equity portion of the Cumulative Preference shares are classified as equity.

TAX

Tax expenses
Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged to other comprehensive income.

Current tax assets and liabilities
Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities
A deferred tax liability (asset) is recognised for all taxable (deductible) temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset where there is a legal right to do so and they relate to the same entity and same tax authority.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. There were no indications in the years presented.

Irrespective of whether there is any indication of impairment, the group also tests goodwill acquired in a business combination for impairment annually.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. No goodwill impairment was required in the years presented.

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated. No such indicators were determined for the years presented.

An analysis of the shareholding at 30 September 2017 as required by the JSE is as follows:

ORDINARY SHARES

Total number of securities in issue	803 738 385

Type of shareholder	Number of shareholders	Number of securities held	% securities held
Public	729	24 116 398	3
Non-public	1	779 621 987	97
Total	730	803 738 385	100.00

ANALYSIS OF NON-PUBLIC ORDINARY SHAREHOLDERS	Number of shareholders	Number of securities held	% securities held	Options to subscribe for ordinary shares
Directors of the Company or any of its subsidiaries	1	25 000	0.03	0
Any person who is interested in 10% or more of the securities of the relevant class.	1	779 621 987	97	0
Any associates of the above	0	0	0	0

	Holding	% holding
PUBLIC SHAREHOLDERS		
Holding less than 5%	24 116 398	3
NON-PUBLIC SHAREHOLDERS		
Cannacord Genuity	779 621 897	97
Total	800 173 385	100.00

5.5% CUMULATIVE PREFERENCE SHARES	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	48	500 000	100.00
Non-public	0	0	0
Total	48	500 000	100.00

PUBLIC SHAREHOLDERS	Holding	% holding
Old Sillery Pty Ltd	150 128	30.03
Peter Shotter	150 000	30.00
Hester Shotter	60 000	12.00
James Castle	43 123	8.62
Ralph Rindali	25 000	5.00
Janus Asset Management	25 000	5.00
Holding less than 5%	46 749	9.35
Total	500 000	100.00

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SHAREHOLDERS INFORMATION

ADMINISTRATION

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

Administration
Secretary
Mr B Allison

Registered office
The Travel House
6 Hood Avenue
Rosebank
2196

Auditors
Mazars Gauteng
Mazars House
54 Glenhove Road
Melrose Estate
Johannesburg
2195

Postal address
PO Box 41032
Craighall
2024
Telephone: +27 11 770 7994
Telefax: +27 11 770 7485

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

Transfer secretaries
Computershare Investor Services (Pty) Limited
Rosebank Towers
15 Biermann Avenue, Rosebank
2196
PO Box 61051
Marshalltown
2107
Call Centre: +27 11 688 7737

Sponsor
Arbor Capital Sponsors (Pty) Limited
20 Stirrup Lane
Woodmead Office Park
Corner Woodmead Drive and Van Reenens Avenue
Woodmead 2191
Suite #439
Private Bag X29
Gallo Manor
2052

SHAREHOLDERS' DIARY

Financial year-end	30 September
Annual General Meeting	2 February 2018

Financial year reports and profit statements	**Date of publication**
Half-yearly interim report	May
Year-end results and annual financial statements	December

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

NOTICE OF MEETING

Notice is hereby given that the 115th Annual General Meeting of shareholders of the Company ("the meeting") will be held in the boardroom, 2nd Floor, The Travel House, 6 Hood Avenue, Rosebank, Johannesburg at 11:00 on Friday, 2 February 2018.

RECORD DATE, ATTENDANCE AND VOTING

The record date for determining which shareholders are entitled to notice of the meeting is Friday, 15 December 2017 and the record date for determining which shareholders are entitled to participate in and vote at the meeting is Friday, 26 January 2018. The last day to trade in order to be eligible to vote at the meeting is accordingly Thursday, 25 January 2018.

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certificated shares:

- you may attend the meeting in person;
- alternatively, you may appoint a proxy to represent you at the meeting by completing the attached form of proxy in accordance with the instructions it contains and returning it to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) ("transfer secretaries") to be received for administration purposes no later than 48 (forty-eight) hours (excluding Saturdays, Sundays and public holidays) prior to the meeting. Alternatively, the form proxy may be handed to the chairman of the meeting immediately prior to the commencement of the voting at the meeting.

If you hold dematerialised shares which are not registered in your name:

- and wish to attend the meeting, you must obtain the necessary letter of representation from your Central Securities Depository Participant ("CSDP") or broker;
- and do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or broker and furnish them with your voting instructions; and
- you must not complete the attached form of proxy.

A shareholder who is entitled to attend and vote at the meeting is entitled, by completing the attached form of proxy and delivering it to the Company in accordance with the instructions on that form of proxy, to appoint a proxy to attend, participate in and vote at the meeting in that shareholder's place. A proxy need not be a shareholder of the Company. All shareholders are entitled to attend, speak and vote at the meeting and to appoint one or more proxies to attend, speak and vote or abstain in their stead. On a show of hands, every member who is present in person or by proxy shall have one vote, and, on a poll, every member present in person or by proxy shall have one vote for each share held by him/her.

All meeting participants (including shareholders and proxies) may be required to provide satisfactory identification to the Chairman of the meeting. If so requested, forms of identification include valid identity documents, passports and driver's licences.

ELECTRONIC ATTENDANCE AT THE MEETING

The Company intends to make provision for the shareholders of the Company or their proxies to participate in the meeting by way of electronic communication. Should you wish to participate in the meeting in this manner, you will need to contact the Company at 011 770 7837 by 11:00 on 31 January 2018 (48 hours before meeting); alternatively, contact the transfer secretaries at 011 370 5000 by 11:00 on 31 January 2018, so that the Company can make the necessary arrangements for electronic communication. Should you be participating in the meeting by electronic communication, kindly ensure that the voting proxies are sent to the Company or the transfer secretaries by 11:00 on 31 January 2018 at the addresses set out at the end of this notice of meeting.

PURPOSE OF MEETING

The purpose of the meeting is:

- to present the Audited Annual Financial Statements of the Company, which have been approved by the Audit Committee and the Board of Directors;
- to consider and, if deemed fit, to pass, with or without modification, the Ordinary and Special resolutions set out below; and;
- to deal with any other business that may be transacted at an Annual General Meeting.

ORDINARY RESOLUTIONS

VOTING RIGHTS

In order for these ordinary resolutions numbers 1 to 8 to be adopted, the support of at least the simple majority (50% plus 1) of the total number of votes, which the shareholders present in person or represented by proxy at this meeting are entitled to cast, is required. The quorum for the meeting is 25% (twenty-five percent) of the issued share capital of the Company.

ORDINARY RESOLUTION NUMBER 1 – Approval of the annual financial statements
To receive and adopt the annual financial statements of Cullinan for the year ended 30 September 2017.

ORDINARY RESOLUTION NUMBER 2 – Directors' remuneration
To confirm the directors' remuneration as detailed in the directors' emoluments note in the integrated report of the Company for the year ended 30 September 2017.

ORDINARY RESOLUTION NUMBER 3 – Ratification of actions of Board of Directors
To ratify and confirm the actions of all persons who held office as members of the board of directors of the Company during the year ended 30 September 2017 in so far as such actions had any bearing on the affairs of the Company.

ORDINARY RESOLUTION NUMBER 4 – Re-election of non-executive directors
To re-elect, by way of separate resolutions, G Tollman, D Hosking and R Arendse as non-executive directors of the Company in accordance with the provisions of the MOI of the Company. Curricula vitae information is available on page 5 - 8 of the integrated report.

ORDINARY RESOLUTION NUMBER 5 – Re-appointment and remuneration of auditors
To re-appoint Mazars Gauteng, the auditors of the company, and Susan Truter as the designated auditor until the following Annual General Meeting and to authorise the directors to determine their remuneration for the past year.

ORDINARY RESOLUTION NUMBER 6 – Placing authorised but unissued share capital under the control of the directors
Resolved that the unissued ordinary shares in the capital of the Company be and are hereby placed under the control of the directors until the next AGM and that they are hereby authorised to issue any such shares as they may deem fit in accordance with the provisions of the Companies Act, as amended, the MOI of the Company, and the JSE Listings Requirements.

ORDINARY RESOLUTION NUMBER 7 – Appointment of the Chairman and members of the Audit & Risk Committee
To re-appoint, by way of separate resolutions, the Audit & Risk Committee members, being R Arendse (Chairman), A Mendiratta and M Burton, as required in terms of the Companies Act and as recommended by King IV.

ORDINARY RESOLUTION NUMBER 8 – Adoption of the Company remuneration policy
To receive and adopt, on a non-binding and advisory basis, the Company remuneration policy as set out on page 18 - 19 of this annual report. The Remuneration Policy and the King IV Implementation Report are tabled for a separate non-binding advisory votes. The Remuneration Policy records the measures the board commits to take in the event that either the Remuneration Policy or the Implementation Report, or both, are voted against by 25% or more of the votes exercised.

ORDINARY RESOLUTION NUMBER 9 – To transact such other business as may be transacted at an Annual General Meeting

SPECIAL RESOLUTIONS

VOTING RIGHTS

In order for special resolutions numbers 1 to 3 to be adopted, the support of at least 75% (seventy-five percent) of the total number of votes, which the shareholders present in person or represented by proxy at this meeting are entitled to cast, is required. The quorum for the meeting is 25% (twenty-five percent) of the issued share capital of the Company.

SPECIAL RESOLUTION NUMBER 1 – Financial assistance to related or inter-related entities to the Company

Resolved that the Board of directors is authorised, in terms of and subject to the provisions of section 45 of the Companies Act, to cause the Company to provide financial assistance to any company or corporation that is related or inter-related to the Company.

Reason for and effect of this resolution

Special resolution number 1 is required in terms of section 45 of the Companies Act to grant the directors of the Company the authority to cause the Company to provide financial assistance to any entity which is related or inter-related to the Company, and it will have this effect. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the Company.

SPECIAL RESOLUTION NUMBER 2 – Financial assistance for subscription for or purchase of securities by related or interrelated entities to the Company

Resolved that the Board of directors is authorised, in terms of and subject to the provisions of section 44 of the Companies Act, to cause the Company to provide financial assistance to any company or corporation that is related or inter-related to Cullinan for the subscription for or purchase of securities in the Company or in any company or corporation that is related or inter-related to the Company.

Reason for and effect of this resolution

Special resolution number 2 is required in terms of section 44 of the Companies Act to grant the directors of the Company the authority to cause the Company to provide financial assistance for the subscription for or purchase of securities to any entity which is related or inter-related to the Company, and it will have this effect. This special resolution does not authorise the provision of financial assistance to a director or prescribed officer of the Company.

SPECIAL RESOLUTION NUMBER 3 – Approval of the remuneration of non-executive directors for services as directors for the following year

Resolved that the following remuneration of non-executive directors of the Company for their services as directors of the Company for the period from 1 October 2017 to 30 September 2018 be and is hereby approved in accordance with section 66(9) of the Companies Act:

- Chairman of the Board – nil
- Members of the Board – R21 200 per meeting attended
- Members of committees – R10 600 per meeting attended

Reason for and effect of this resolution

Special resolution number 3 is required in terms of section 66(9) of the Companies Act, in order that the Company may, if so authorised in terms of a special resolution, pay remuneration to its non-executive directors for their services as directors. The effect of this resolution is to approve the remuneration of the non-executive directors of the Company for their services as directors for the following year.

INTERPRETATION OF THIS NOTICE

In this notice of Annual General Meeting, all references to:

- "Companies Act" means the Companies Act, No 71 of 2008, as amended; and
- "JSE Listings Requirements" means the Listings Requirements of the Johannesburg Stock Exchange, as amended from time to time.

By order of the Board

Bradley Allison
Company Secretary

Johannesburg
15 December 2017

BAllison

FORM OF PROXY

CULLINAN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1902/001808/06)
Share code: CUL ISIN: ZAE000013710
Share code: CUL1 ISIN: ZAE000001947
("Cullinan" or "the Company")

A certificated or own-name dematerialised Cullinan shareholder entitled to attend and vote at the Annual General Meeting to be held at 11:00 on Friday, 2 February 2018 in the boardroom at 2nd Floor, The Travel House, 6 Hood Avenue, Rosebank, Johannesburg 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 or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or PO Box 61051, Marshalltown, 2107) or with the Company (2nd Floor, The Travel House, 6 Hood Avenue, Rosebank, 2196 or PO Box 41032, Craighall, 2024) for administrative purposes, by no later than 48 hours before the time for the holding of the Annual General Meeting. Alternatively, the form of proxy can be handed to the chairman of the meeting immediately prior to the commencement of the voting at the Annual General Meeting.

In terms of the custody agreements entered into by the dematerialised shareholders and their Central Securities Depository Participant ("CSDP") or brokers:

- dematerialised shareholders, other than own-name dematerialised shareholders, who wish to attend the Annual General Meeting, must instruct their CSDP or broker to issue them with the necessary letter of representation to attend the Annual General Meeting; and
- dematerialised shareholders, other than own-name dematerialised shareholders, who wish to be represented at the Annual 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, hereby appoint:

1. of or failing him/her,

2. of or failing him/her,

3. 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 Friday, 2 February 2018 at 11:00 and at any adjournment thereof, as indicated below:

		In favour of*	Against*	Abstain*
ORDINARY RESOLUTIONS				
1.	Approval of the annual financial statements			
2.	Director's remuneration			
3.	Ratification of actions of Board of Directors			
4.	Re-election of non-executive directors			
4. 1	To re-elect R Arendse who retires in accordance with the Memorandum of Incorporation and offers himself for re-election			
4. 2	To re-elect G Tollman who retires in accordance with the Memorandum of Incorporation and offers himself for re-election			
4. 3	To re-elect D Hosking who retires in accordance with the Memorandum of Incorporation and offers himself for re-election			
5.	Re-appointment and remuneration of Auditors			
6.	Placing authorised but unissued share capital under the control of the directors			
7.	Appointment of the chairman and members of the Audit & Risk Committee			
7. 1	To re-elect R Arendse as the Chairman of the Audit and Risk Committee as required in terms of the Companies Act and as recommended by King IV			
7. 2	To re-elect M Burton to the Audit and Risk Committee as required in terms of the Companies Act and as recommended by King IV			
7. 3	To re-elect A Mendiratta to the Audit and Risk Committee as required in terms of the Companies Act and as recommended by King IV			
8.	Adoption of the Company remuneration policy			
9.	To transact such other business as may be transacted at an Annual General Meeting			
SPECIAL RESOLUTIONS				
1.	Financial assistance to related or inter-related entities to the Company			
2.	Financial assistance for subscription for or purchase of securities by related or interrelated entities to the Company			
3.	Approval of the remuneration of non-executive directors the following year			

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

Signed at on 2018

Signature

Assisted by (if applicable)

Capacity

NOTE: Please read the instructions, notes and summary of section 58 of the Companies Act on the reverse.

INSTRUCTIONS AND NOTES TO FORM OF PROXY

This form is for use by certified shareholders and dematerialised shareholders with "own-name" registration whose shares are registered in their own names on the record date and who wish to appoint another person to represent them at the meeting. If duly authorised, companies and other corporate bodies which are shareholders having shares registered in their own names may appoint a proxy using this form, or may appoint a representative in accordance with the last paragraph below.

1. Other shareholders should not use this form. All beneficial holders who have dematerialised their shares through a CSDP or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. This form will not be effective at the meeting unless received at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Republic of South Africa, no later than 11:00 on 31 January 2018. If a shareholder does not wish to deliver this form to that address, it may also be posted at the risk of the shareholder to PO Box 61051, Marshalltown, 2107.
3. This form shall apply to all the ordinary shares registered in the name of shareholders at the record date unless a lesser number of shares is inserted.
4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the Company. If the name of the proxy is not inserted, the Chairman of the meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on this form and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this form may delegate the authority given to him in this proxy by delivering to the Company, in the manner required by these instructions, a further form which has been completed in a manner consistent with the authority given to the proxy of this form.
5. Unless revoked, the appointment of a proxy in terms of this form remains valid until the end of the meeting even if the meeting or part thereof is postponed or adjourned.
6. If:
   - 6.1 a shareholder does not indicate on this form that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
   - 6.2 the shareholder gives contrary instructions in relation to any matter; or
   - 6.3 any additional resolution/s are properly put before the meeting; or
   - 6.4 any resolution listed in the form of proxy is modified or amended, the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in paragraphs 6.1 to 6.4, then the proxy shall comply with those instructions.
7. If this form is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this form will not be effective unless:
   - 7.1 it is accompanied by a certified copy of the authority given by the shareholder to the signatory; or
   - 7.2 the Company has already received a certified copy of that authority.
8. The Chairman of the meeting may, at his discretion, accept or reject any form or other written appointment of a proxy which is received by the Chairman prior to the time when the meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions.

   However, the Chairman shall not accept any such appointment of a proxy unless the Chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.
9. Any alterations made in this form must be initialled by the authorised signatory/ies.
10. This form is revoked if the shareholder who granted the proxy:
    - 10.1 gives written notice of such revocation to the Company, so that it is received by the Company by no later than 11:00 on 31 January 2018; or
    - 10.2 appoints another proxy for the meeting; or
    - 10.3 attends the meeting in person.
11. All notices which a shareholder is entitled to receive in relation to the Company shall continue to be sent to that shareholder and shall not be sent to the proxy.
12. A minor must be assisted by his/her guardian, unless proof of competency to sign has been recorded by the Company.
13. If duly authorised, companies and other corporate bodies which are shareholders of the Company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received at the Company's transfer office, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, Republic of South Africa, no later than 11:00 on 31 January 2018.

SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT, AS REQUIRED IN TERMS OF SUB-SECTION 58(8)(B)(I)

1. A shareholder may at any time appoint any individual, including a nonshareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (section 58(3)(c)) and in terms of the Memorandum of Incorporation ("MOI") of the Company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
   - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (section 58)(4)(a));
   - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (section 58(4)(b)); and
   - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (section 58(5)).
8. If the proxy instrument has been delivered to the Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (section 58(7)).
10. if a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:

10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (section 58(8)(a));

- 10.2 the invitation or form of proxy instrument supplied by the Company must:
  - 10.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
  - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
  - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (section 58(8)(b)(iii));
- 10.3 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
- 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended