

Directors' Report

GENERAL REVIEW

The company is a cash company listed on the JSE Limited. The financial results are reflected in the financial statements on pages 22 to 55.

The loss attributable to equity holders of the company from the various classes of businesses was as follows:

	2020 Rm	2019 Rm
Textainer		
Fair value adjustment	16	104
Dividends tax on distribution of shares to Trencor shareholders	(17)	(174)
Container operations		
Net loss	–	(358)
Loss on disposal of subsidiary	–	(21)
Other corporate items, including interest received	(37)	(7)
	(38)	(456)

DIRECTORS AND SECRETARY

The names of the directors appear on page 57 and that of the secretary on page 67.

At the annual general meeting held on 4 June 2020, Jimmy McQueen and Herman Wessels retired as non-executive directors and from the respective board committees on which they served and David Nurek was appointed as a member of the audit committee in the place of Herman Wessels.

On that date, the following changes were made to board committees:

- Eddy Oblowitz was appointed as a member of the remuneration, governance and social and ethics committees;
- Hennie van der Merwe was appointed as a member of the governance committee and stepped down as a member of the social and ethics committee; and
- the nomination committee was disbanded and its functions taken over by the board itself.

In terms of the memorandum of incorporation Roddy Sparks and Hennie van der Merwe retire by rotation at the forthcoming annual general meeting. Roddy Sparks, being eligible, offers himself for re-election. Hennie van der Merwe has advised his retirement from the board at the annual general meeting. The board recommends the re-election of Roddy Sparks as director.

Brief résumés of the directors are presented on page 58.

DIRECTORS' INTERESTS

The aggregate of the direct and indirect beneficial interests of the directors in the issued shares of the company at 31 December 2020 was 0,01% (2019: 0,12%).

There have been no changes in these interests between the financial year-end and the date of this report.

CASH DIVIDENDS

	Payment number	Record date	Payment date	Cents per share (gross)	Total Rm
Final	106	24/04/20	28/04/20	185	321
Special	107	30/10/20	02/11/20	160	278

ASSETS IN SPECIE DIVIDEND

	Record date	Payment date	Cents per share (gross)	Total Rm
Textainer unbundling	13/12/19	17/12/19	2 073	3 597
Textainer unbundling	12/06/20	15/06/20	249	433

CONVERTING US GAAP RESULTS OF TAC TO IFRS

The results of TAC, reporting under US GAAP, are converted to IFRS for inclusion in the results of Trencor, which is required to report under IFRS. Prior to the sale by TAC of its subsidiary, Leased Assets Pool Company Limited, on 31 December 2019, differences in accounting treatment between US GAAP and IFRS, in the areas of impairment testing and a revision of the residual values of the container fleets, caused significant differences in financial results reported under the respective accounting conventions. Subsequent to the sale, the results under both conventions are identical given the limited activities of TAC.

Reconciliation of TAC US GAAP results to IFRS for the year ended 31 December:

	2020 US\$m	2019 US\$m
US GAAP loss attributable to Trencor	(0,5)	(45,6)
Adjustments:		
IFRS non-cash reduction in impairment loss	–	15,3
IFRS reduction in depreciation	–	3,9
IFRS tax effect of the above, and other	–	0,7
IFRS loss attributable to Trencor	(0,5)	(25,7)

FURTHER SIMPLIFICATION OF INTERESTS

Further progress has been made during the 2020 financial year in relation to the simplification of Trencor's interests. For more detail, refer to the joint report by the chairman and chief executive officer on pages 3 and 4 and the listing status identified in the corporate governance report on page 12.

INTEREST IN SUBSIDIARIES

	Currency	Share capital and premium	Effective interest		Shares at cost		Amount owing to company	
			2020 %	2019 %	2020 Rm	2019 Rm	2020 Rm	2019 Rm
TAC Limited (Incorporated in Bermuda) Cash holding *	US\$m	93	100	100	1 065	1 392	–	–
Trencor Services Proprietary Limited (Incorporated in the Republic of South Africa) Administration and cash holding	Rm	1 012	100	100	1 017	1 017	(1 291)	(907)
					2 082	2 409	(1 291)	(907)
Aggregate of all other subsidiaries					–	52	–	–
					2 082	2 461	(1 291)	(907)
Accumulated impairment loss					(350)	(366)	–	–
					1 732	2 095	(1 291)	(907)

* Effective 31 December 2019, TAC unconditionally disposed of its container fleet owning subsidiary and now holds cash only.

The interest of the company in their aggregate profits and losses after tax is as follows:

	2020 Rm	2019 Rm
Profits	–	12
Losses	(11)	(383)
	(11)	(371)

SPECIAL RESOLUTIONS

At the annual general meeting held on 4 June 2020, shareholders passed special resolutions to approve the following:

- the provision of financial assistance, as contemplated in section 45 of the Companies Act, by the company to related or inter-related companies;
- the non-executive directors' remuneration, in their capacities as directors of the company, from 1 July 2020; and
- general authority granted to the company for the acquisition by the company or any of its subsidiaries of shares issued by the company. This authority is valid until the earlier of the next annual general meeting or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that it shall not extend beyond fifteen months from the date of passing of the resolution.

SPECIAL RESOLUTIONS OF SUBSIDIARIES

During the year under review, no special resolutions were passed by the company's South African subsidiaries. No shareholder resolutions of material interest were passed by the company's non-South African subsidiary.

ANALYSIS OF SHAREHOLDERS

An analysis of shareholders and a list of the holders who held 5% or more of the issued shares at 31 December 2020 is presented on page 56.