

TCI Fund Management Limited

Annual Report and Financial Statements

For The Year Ended 28 February 2021

Company Registration No. 08898250 (England and Wales)

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TCI Fund Management Limited
Registered No. 08898250

Contents

Page

Company Information	3
Strategic Report	4
Directors' Report	8
Statement of Directors' Responsibilities in respect of the Financial Statements	12
Independent Auditors' Report to the Members of TCI Fund Management Limited	13
Statement of Comprehensive Income for the Year Ended 28 February 2021	16
Statement of Financial Position as at 28 February 2021	17
Statement of Changes in Equity for the Year Ended 28 February 2021	18
Notes to the Financial Statements	19

TCI Fund Management Limited
Registered No. 08898250

Company Information

Directors	C. Hohn A. Milne
Company number	08898250
Business address / registered office	7 Clifford Street London W1S 2FT
Independent auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

Strategic Report

Business model

The principal activity of TCI Fund Management Limited ("the Company") is investment management. The Company is regulated by the Financial Conduct Authority ("FCA"). The Company is authorised by the FCA as an Alternative Investment Fund Manager under the Alternative Investment Fund Manager Directive ("AIFMD"). It is also registered with the United States Securities and Exchange Commission ("SEC") as an Exempt Reporting Adviser pursuant to the Investment Advisers Act of 1940.

Strategic objectives

The Company's objectives are to ensure the investment funds (the "Funds") it provides investment management services to meet their individual investment objectives.

Business update

The Company has continued to fulfil its mandate to the Funds it provides services to and does not expect any change in business activities in the foreseeable future.

The Company reports a profit after taxation for the financial year ended 28 February 2021 of \$272,860,446 (2020: \$543,156,665). The shareholders' funds as at 28 February 2021 amounted to \$259,364,397 (2020: \$138,507,801). The Directors are satisfied with the results for the year and are of the view the Company has sufficient reserves to meet its ongoing business requirements.

Key performance indicators ("KPIs")

a) Financial KPIs

The Company's key financial and performance indicator during the year was as follows:

	2021	2020
Operating profit	\$340,822,653	\$670,736,592

The decrease in operating profits for the financial year ended 28 February 2021 was attributable to a decrease in performance fees. This was in line with the expectations of the Directors as the Company's exceptional performance for the financial year ended 29 February 2020 was difficult to replicate in the financial year ended 28 February 2021 given the impact the COVID-19 pandemic has had on the world economy and financial markets. Despite this the Company increased management fees during the financial year ended 28 February 2021. The Directors are pleased with the results for the year.

The KPIs used by the Directors for an understanding of the development and performance of the Company include monthly management accounts, expense reports, regulatory capital reports, cash flow projections, and underlying data on the performance of the Funds, which are reviewed by the Directors on a regular basis.

b) Non-financial KPIs

The Directors also consider Environmental, Social and Governance ("ESG") factors to be a KPI. Refer to the ESG investment policy section below and the Streamlined Energy and Carbon Reporting in the Directors' Report.

ESG investment policy

The ESG investment policy applies to the Company's investment management process and the Funds' investments in publicly traded equities ("portfolio companies").

(i) Investment approach

As part of the Company's investment management process the Company assesses a range of ESG factors, particularly climate change risk. The Company believes that climate change-related risks, in particular greenhouse gas emissions ("GHG"), will have a material effect on the portfolio companies' long-term profitability, sustainability and investor returns. These risks include regulation, taxation, competitive disadvantage, brand impairment, financing, physical asset impairment and litigation.

(ii) Engagement

The Company actively engages on ESG to help understand, quantify and influence the portfolio companies' exposures to climate change-related risks and the way the portfolio companies are managing those risks.

(iii) Emissions disclosure

The Company requires the portfolio companies to make appropriate and timely public disclosure of carbon and other GHG emissions. Such disclosure should include targets for emissions intensity reduction and absolute level reduction.

The Company fully supports compulsory disclosure on a standardised basis and the use of the Task Force on Climate-related Financial Disclosure ("TCFD") reporting framework (www.tcfhub.org).

In the Company's view, reporting to CDP (www.CDP.net) is the best way to implement TCFD. The Company expects all the portfolio companies to make full annual public disclosure to CDP.

Strategic Report *(continued)*

ESG investment policy *(continued)*

(iv) Low-carbon transition plans

The Company expects portfolio companies to have a credible, publicly-disclosed plan to reduce GHG emissions. This plan should include measurable science-based targets that align with the Paris Agreement, which requires full de-carbonisation of economies (net zero emissions) by 2050. The Company expects the low-carbon transition plan to meet the standards in the CA 100 benchmark (<https://www.climateaction100.org/progress/net-zero-company-benchmark/>).

Actions that should be included in a low-carbon transition plan are:

1. change business processes to reduce the carbon footprint;
2. introduce efficient energy management into buildings and factories;
3. source low carbon energy through direct generation or power purchase agreements;
4. de-carbonise transport fleets, e.g. through electric vehicles;
5. offset emissions from corporate travel, e.g. through afforestation;
6. de-carbonise supply chains and helping customers lower their carbon intensity; and
7. advocate for regulations which drive the de-carbonisation of their industry to ensure its sustainability.

(v) Voting

1. The Company will typically vote against one or more directors of portfolio companies which do not publicly disclose their GHG emissions and do not have a credible or adequate plan for their reduction.

2. The low-carbon transition plans and progress towards GHG emission reduction targets should be published annually by portfolio companies and shareholders of the portfolio companies given an advisory vote at the annual general meeting ("AGM"). In the event that the portfolio companies do not disclose climate plans, or where (1) the disclosure of emissions is not consistent with TCFD and/or (2) the climate plan is not consistent with the CA100 benchmark, the Company will seek to table resolutions at AGMs to mandate a disclosure that is consistent with both standards, if we have the requisite voting power and such resolutions are permitted.

3. Where the Company considers the plans of the portfolio companies to reduce emissions or progress towards meeting emission reduction targets are inadequate the Company will, where possible, file AGM resolutions to disapprove of the plans or the progress in implementing plans.

4. It is important the Annual Report and Accounts of the portfolio companies include material climate risks. The Company will also vote against auditors where these risks fail to be reported.

(vi) Divestment

The Company will also evaluate divestment where portfolio companies refuse to disclose its emissions and does not have a credible plan for their reduction.

(vii) Investor reporting

On an annual basis, the Company will disclose to all of the investors of the Funds how the Company voted and reported on the ESG performance of the Funds' portfolio companies. The Company will also explain to the investors of the Funds the rationale behind the voting at the AGMs of the portfolio companies.

(viii) Asset management industry

The Company believes that all investors should support mandatory GHG emissions disclosure by large companies and require them to adopt credible low carbon transition plans.

Investors should influence such disclosure and emissions management by voting against boards which hide their emissions and have no credible plan for their reduction.

The Company recommends that asset owners pressure asset managers that have sufficient votes to file an AGM resolution to direct a company to disclose their emissions and low-carbon transition plan. Asset owners should consider replacing asset managers who do not do so.

(ix) ESG engagements

The Company is in the process of submitting shareholder resolutions, where possible, requesting that portfolio companies disclose their current GHG emissions in a manner consistent with the recommendations of the TCFD, including their emission reduction strategy and progress made in their reduction strategy. The Company is also requesting that all shareholders be given a non-binding advisory vote in respect of such matters at annual meetings.

Further information can be found at the following website link: <https://www.tcifund.com/ESGEngagements>.

Strategic Report *(continued)*

Brexit

The United Kingdom ("UK") left the European Union ("EU") on 31 January 2020. A transitional period, during which the UK was no longer a member of the EU but was still subject to EU rules and remained a member of the Customs Union, concluded on 31 December 2020. On 24 December 2020 it was announced that a free trade agreement ("FTA") was approved by the UK parliament and the EU member states. Whilst the FTA covers a number of aspects of the trading and cooperation relationship between the UK and EU, it does not cover financial services to any significant degree. It is therefore not possible to precisely assess the impact of this on the legal and regulatory environment in which the Company operates until the outcome of any agreement in respect of financial services has been reached. The Directors have taken necessary steps to ensure that the business can continue to operate and service the investment funds following Brexit.

Principal risks, financial risks and uncertainties

The management of the business and the execution of the strategy are subject to a number of risks. In assessing the Company's principal risks and uncertainties, the Directors have considered their potential impact, their likelihood, what controls the Company has in place and what steps it can take to mitigate such risks. The Company's principal risks and uncertainties can be broadly grouped as - operational, business, financial/credit and market risk. Further information can be found in the Pillar 3 disclosure document available at the following website link: <https://www.tcifund.com/Pillar3Disclosures>.

a) Operational risk

The Company has appropriate controls in place to manage its operational risk, including system failures, fraud and theft, failure to comply with taxation requirements and breach of regulatory rules and other legislation. The COVID-19 pandemic has created challenges to day to day working. The Company and many of its service providers have implemented business continuity procedures, including remote working, to ensure the safety of staff and to enable the business to operate with minimal impact.

b) Business risk

The key business risks and uncertainties affecting the business are considered to relate to the performance of the Company, the loss of mandates in relation to investment management services, and changes in the regulatory environment. The Company has appropriate controls in place to identify and address business risks relating to changes in the regulatory environment.

c) Financial / credit risk

The Company is exposed to credit risk through its cash deposits, trade debtors, group balances and prepayments. The Company will hold all cash with banks whom the Company has strong, well-established relationships and who typically have a minimum Moody's or S&P rating of investment grade.

d) Market risk

The Company's exposure to market risk is limited only to foreign exchange risk arising from the mismatch between a small proportion of its expenditure and its functional currency. The Company's primary cash flows are denominated in US Dollars, this includes both revenue and a significant proportion of expenses and outgoings. The Company does not therefore actively seek to hedge its exposure to foreign currency risk.

2018 UK Corporate Governance Code and Companies House 2006 Section 172(1) Statement

The Directors of the Company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefits of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 28 February 2021.

a) Long term decision making

The Company adopts a long-term, bottom-up, owner orientated investing philosophy to ensure the investment funds the Company provides investment management services to meet their individual investment objectives. The long-term investment approach aims to generate a sustained return for the underlying investors of the investment funds and retain the investor appetite in the investment funds. The generation of the returns and retention of the investors maintains the revenue stream for the Company. The Company's parent company, TCI Fund Management (UK) Limited, also invests in a number of the investment funds with the aim of generating a long-term return and to provide confidence to the underlying investors of the investment funds of the Company's investment philosophy.

b) Employees

The Company is committed to being a responsible employer. The employees are fundamental to the Company's specialist services. The Directors of the Company are heavily engaged with the employees to achieve the goals of the individual employees and the goals of the Company. The Directors of the Company are aware the long-term success of the Company relies on the management and development of existing employees performance and bringing through new talent.

Strategic Report *(continued)*

2018 UK Corporate Governance Code and Companies House 2006 Section 172(1) Statement *(continued)*

c) Business relationships

Fostering business relationships with key stakeholders, such as customers and suppliers, is important to the Company's success. The Company continues to successfully manage the assets of the investment funds it provides investment management services to. The Company achieves this through regular communication with the directors of the investment funds and regular communication and reporting to the underlying investors of the investment funds. The Company also negotiates terms with suppliers to ensure a successful flow of services and supplies.

d) Community and environment

In their decision making, Directors of the Company have regard to the impact of the Company's operations on the community and the environment. The Directors actively engage on ESG to help understand, quantify and influence the portfolio companies' exposures to climate change-related risks and the way the portfolio companies are managing those risks. Refer to the ESG investment policy section. The Directors also leverage their expertise and enable colleagues to support the communities around them.

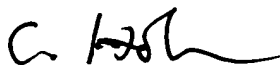
e) Business conduct

Culture, values and standards underpin how the Company creates and sustains value over the long term and are key elements of how the Company maintains a reputation for high standards of business conduct. The Directors of the Company intend to behave responsibly and ensure the Company is operated in a responsible manner, operating with high standards of business conduct and strong governance. The Company also endeavours to deal only with suppliers who conduct their business in a lawful and ethical manner. The Company publishes its Modern Slavery Statement on its website: <https://www.tcifund.com/ModernSlaveryStatement>.

f) Shareholders

The Directors of the Company engage with the shareholder to ensure strategies and objectives are aligned. The Company regularly reports the financial performance to the shareholder.

On behalf of the Board



C Hohn
Director

Date: 10 JUNE 2021

Directors' Report

The Directors submit their report together with the audited financial statements of the Company for the year ended 28 February 2021.

Principal activities, review of the business and future developments

The principal activity of the Company is investment management. The Company has continued to fulfil its mandate to the investment funds it provides services to and does not expect any change in business activities in the foreseeable future.

The Company reports a profit after taxation for the financial year ended 28 February 2021 of \$272,860,446 (2020: \$543,156,665). The shareholders' funds as at 28 February 2021 amounted to \$259,364,397 (2020: \$138,507,801). The Directors are satisfied with the results for the year and are of the view the Company has sufficient reserves to meet its ongoing business requirements.

The Directors recognise the impact the COVID-19 pandemic has had on the world economy and financial markets. Whilst there has been a sharp increase in the volatility of all financial markets, the Company continues to successfully manage the assets of the investment funds within the established investment and risk parameters. These actions include monitoring the investment portfolio and liquidity profile of the investment funds. Since the COVID-19 outbreak, the Company and many of its service providers have implemented business continuity procedures, including remote working, to ensure the safety of staff and to enable the business to operate with minimal impact. The Directors will continue to review the situation in order to navigate the Company through this period of heightened uncertainty.

Dividends

Interim dividends declared and paid during the financial year ended 28 February 2021 were \$152,003,850 (2020: \$475,000,000). The Directors do not recommend any further dividends be paid.

Going concern

The Company's business activities and the principal business risks considered by the Directors are described in the Strategic Report.

The Directors assessment of going concern took into account recent market developments and the uncertainty caused by COVID-19. After making enquiries and assessing the financial forecasts for a twelve month rolling period for going concern, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and meet its liabilities as they fall due. As a consequence, the Directors believe that the Company is well placed to manage business risks successfully despite the current uncertain economic outlook. Accordingly, the going concern basis of accounting in preparing the annual financial statements continues to be adopted.

Directors

The following Directors have held office during the year and up to the date of signing the financial statements:

C. Hohn
A. Milne

Financial risk management

The risk management of the Company has been detailed within the Strategic Report.

2018 UK Corporate Governance Code and Companies House 2006 Section 172(1) Statement

The Directors of the Company have reported the performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006 within the Strategic Report.

Streamlined Energy and Carbon Reporting

The following Streamline Energy & Carbon Reporting ("SECR") provides environmental impact information in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Application

This information is presented on behalf of TCI Fund Holdings Limited and its subsidiaries (collectively the "Group"). As there is no reasonable basis to allocate energy and carbon usage to the Company due to the shared use of facilities and resources across the Group within the UK, no Company specific information is presented.

The measurement period of the report is 1 January 2020 to 31 December 2020 as this aligns to the carbon footprint reports the Group has had commissioned for a number of years. In future the Group will consider aligning the measurement period of the SECR to the financial year.

The Group has been assessing its Greenhouse Gas ("GHG") emissions since 2018, and has provided this baseline year and previous year's assessment results for comparison.

Directors' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

Organisational boundary

The organisational boundary for reporting is determined to be the UK based activities of the Group.

Organisational boundary

The Group appointed a leading carbon and energy management company to independently assess its GHG emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance March 2019'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2020 emission conversion factors published by Department for Environment, Food and Rural Affairs and the Department for Business, Energy & Industrial Strategy. The operational control approach has been used, and the assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage.

Where practicable, and for the majority of the calculation, primary data has been sourced (eg. meter readings, supplier invoices, supplier reports/information) but in some cases where complete datasets are not available, estimated or aggregated data has been used.

GHG emissions and energy use data

Activity	Scope	Tonnes CO ₂ e
Site gas	Scope 1	47.51
Scope 1 sub-total		47.51
Electricity generation	Scope 2	40.79
Scope 2 sub-total		40.79
Business travel (flights and land transport)	Scope 3	98.60
Home-workers	Scope 3	52.02
Other ⁽¹⁾	Scope 3	16.03
Scope 3 sub-total		166.65
Total tonnes of CO₂e		254.95
Tonnes of CO₂e per employee		4.05
Tonnes of CO₂e per \$m turnover		0.45
Total energy consumption (kWh)		348,071

Activity	Baseline Year 2018	Previous Year 2019	Current Year 2020
Total energy consumed (kWh)	397,658	384,601	348,071
Total gross location-based emissions (tCO ₂ e) ⁽²⁾	795.36	713.66	254.95
Total gross scope 1 & 2 emissions (tCO ₂ e)	116.35	103.01	88.3
Intensity ratio: tCO₂e (gross Scope 1 & 2, location-based) per employee	1.82	1.61	1.40

⁽¹⁾ 'Other' includes: outsourced data centres, water, waste, paper use, and electricity transmission & distribution.

⁽²⁾ All scopes, including elements above SECR minimum requirements.

Energy efficiency action

The Group is committed to minimising its environmental impact and reducing carbon emissions. The Group has enacted a number of successful environmental initiatives:

(i) Forest acquisition

In 2019 the Group acquired a maturing forest in Scotland. As the forest stands, the CO₂ sequestration is estimated at 2,500 tCO₂e per annum, providing for more than the Group's CO₂ footprint. The acquisition by the Group ensures the protection of the land from an environmental perspective. The Group has not enacted any changes on the site and therefore not utilised the CO₂ sequestration as a carbon offset in the data above.

(ii) Carbon offsetting

Carbon offsetting provides a recognised way for organisations to compensate for their carbon emissions by funding an equivalent carbon dioxide saving elsewhere in the world. Businesses purchase emission reduction credits from specific, approved carbon reduction projects. The projects must be 'additional' to those that would have happened anyway, meaning that they achieve emission reductions above 'business as usual'.

Directors' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

Energy efficiency action (continued)

(ii) Carbon offsetting (continued)

The UK is one of only a few countries to have domestic carbon standards in place for woodland creation and peatland restoration. The Woodland Carbon Code ("WCC") is the standard for woodland creation projects in the UK which generate verifiable Woodland Carbon Units ("WCUs"). A WCU is a tonne of CO₂ which has been sequestered in a WCC-certified woodland. It has been independently verified, is guaranteed to be there, and can be used to report against emissions as soon as it is purchased.

The Group identified several new tree planting projects and ultimately invested in a project to plant 72,000 new trees, which resulted in the Group receiving 11,644 Pending Issuance Units ("PIUs"). A PIU is effectively a 'promise to deliver' a WCU during a given period, based on predicted tree growth. It is not 'guaranteed', and cannot be used to report against emissions until verified. However, it allows the Group to plan to compensate for future emissions. Every 10 years, projects are checked and, if performing well, verified. At that point the PIUs are converted to WCUs. The Group estimates that this will give cover for 15 years of the Group's CO₂ footprint.

(iii) Travel

Business travel is the most significant emission source to the Group's carbon footprint. In 2020 travel reduced significantly as a result of the COVID-19 pandemic. The Group will endeavour to reduce unnecessary travel once COVID-19 restrictions are lifted through the use of video-conferencing solutions.

(iv) Premises

The Group has actively engaged with its landlord to assist in undertaking energy reviews to identify efficiencies and energy saving opportunities.

(v) Suppliers

The Group has been and continues to assess key suppliers to ensure the supplier has processes in place to reduce carbon footprint. Over the past two years the Group has changed a number of suppliers to help tackle this issue, in particular suppliers in the transport and logistics industry.

(vi) Digital solutions

The Group has upgraded video-conferencing and electronic signature solutions in an effort to reduce travel and printing. The upgrades were initiated prior to the COVID-19 pandemic, however the restrictions caused by the COVID-19 pandemic accelerated the transition to the digital solutions.

(vii) Food waste and recycling

All bins at the end of desks were removed to encourage greater use of the segregated bins in the kitchen areas. All kitchens are now equipped with a food waste bin to encourage the recycling of food waste. In addition, paper and cardboard recycling bins are dispersed throughout the office space.

(viii) Disposable items

Disposable plastic water bottles supplied at the Group's office were removed.

(ix) Lighting and electrical equipment

The Group has fitted LED lighting and installed passive infrared sensors and timers on lighting and electrical equipment throughout its office space.

Remuneration policy

In accordance with the Financial Conduct Authority ("FCA") AIFM Remuneration Code as set out in SYSC 19B of the FCA Handbook and in accordance with ESMA's "Guidelines on sound remuneration policies under the Directive on Alternative Investment Fund Managers" the Company has set out a remuneration policy which is consistent with and promotes sound and effective risk management.

This remuneration policy applies to staff engaged in control functions and risk takers whose professional activities have a material impact on the risk profile of the Company, TCI Advisory Services LLP and TCI Fund Services LLP (collectively the "TCI Group") and the investment funds it manages, senior management and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management.

Under the FCA and ESMA guidelines the Company has determined that it is not a "significant firm" and consequently has not set up a remuneration committee, however the Company's governing body undertakes this role.

The decisions of the governing body on setting remuneration are based on, amongst other things, risk management; supporting business strategy; objectives; values and interests and avoiding conflicts of interest; governance; control functions; and measurement of performance.

Directors' Report *(continued)*

Remuneration policy *(continued)*

The remuneration policy is designed to ensure any remuneration is consistent with, and promotes effective risk management, and is primarily based on overall firm performance and fund performance and is less focussed on individual profit and loss.

Where remuneration is performance related then, in addition to the performance of the individual, the governing body will take into account the performance of the business unit and the overall results of the Company, and may impose vesting, retention and clawback mechanisms to take into account the Company's business cycle. The performance assessment will not relate solely to financial criteria but will also include compliance with regulatory obligations and adherence to effective risk management.

The remuneration policy will be reviewed at least annually by the governing body to ensure it remains consistent with the Remuneration Code principles. In addition, the compliance officer of the Company will annually review the implementation of this policy.

Information about the remuneration paid by the Company in accordance with the FCA Handbook FUND 3.3.5 (5) and 3.3.5 (6) is available at the following website link: <https://www.tcifund.com/Pillar3Disclosures>.

Charitable donations

During the year, the Company made charitable donations to The Children's Investment Fund Foundation (UK) ("CIFF") to the value of \$71,978,525 (2020: \$nil). CIFF is related to the Company due to C. Hohn, a Director of the Company, being a trustee of CIFF.

The Company also made charitable donations during the year to The CH Foundation (UK) ("CHF UK") to the value of \$11,900,000 (2020: \$nil). CHF UK is related to the Company due to C. Hohn, a Director of the Company, being a trustee of CHF UK.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report have confirmed that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and that they have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors confirm that the requirements in the Statement of Directors' Responsibilities in respect of the Financial Statements have been met in preparing these financial statements.

Independent auditors

In accordance with Section 485 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP, as independent auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



C. Hohn
Director

Date: 10 JUNE 2021

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Director confirmation

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.



Independent auditors' report to the members of TCI Fund Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, TCI Fund Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 28 February 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 28 February 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority' and we considered the extent



to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risk was related to the posting of inappropriate journal entries to turnover or administrative expenses. Audit procedures performed by the engagement team included:

- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Discussions with management, and review of relevant directors' meeting minutes, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Testing journal entries, with a focus on journals with unusual account combinations based on our understanding of the business;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, reading 'Natasha McMillan'.

Natasha McMillan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 June 2021

Statement of Comprehensive Income for the Year Ended 28 February 2021

		28 February 2021	29 February 2020
	Note	\$	\$
Turnover	4	556,977,437	887,802,758
Administrative expenses		(222,811,572)	(218,329,879)
Other operating income		6,656,788	1,263,713
Operating profit	5	340,822,653	670,736,592
Other interest receivable and similar income		9,066	145,043
Interest payable and similar expenses		(71,462)	(6,920)
Profit before taxation		340,760,257	670,874,715
Tax on profit	7	(67,899,811)	(127,718,050)
Profit for the financial year		272,860,446	543,156,665

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income in the financial year and therefore the total comprehensive income is stated in the amounts above.

The notes on pages 19 to 25 form an integral part of these financial statements.

Statement of Financial Position as at 28 February 2021

		28 February 2021	29 February 2020
	Note	\$	\$
Current assets			
Debtors	8	60,372,220	126,090,696
Cash at bank and in hand		<u>207,933,410</u>	<u>98,293,607</u>
Total current assets		<u>268,305,630</u>	<u>224,384,303</u>
Creditors: Amounts falling due within one year	9	<u>(8,941,233)</u>	<u>(85,876,502)</u>
Net current assets		<u>259,364,397</u>	<u>138,507,801</u>
Total assets less current liabilities		<u>259,364,397</u>	<u>138,507,801</u>
Net assets		<u>259,364,397</u>	<u>138,507,801</u>
Capital and reserves			
Called up share capital	10	15,002	15,002
Share premium account	10	1,667,914	1,667,914
Other reserves	10	53,526,639	53,526,639
Profit and loss account		<u>204,154,842</u>	<u>83,298,246</u>
Total shareholders' funds		<u>259,364,397</u>	<u>138,507,801</u>

The notes on pages 19 to 25 form an integral part of these financial statements.

The financial statements on pages 16 to 25 were approved by the Board on 10 June 2021 and were signed on their behalf by:



C. Hohn
Director

Statement of Changes in Equity for the Year Ended 28 February 2021

	Called up share capital \$	Share premium account \$	Other reserves \$	Profit and loss account \$	Total \$
Balance as at 1 March 2019	15,002	1,667,914	53,526,639	15,141,581	70,351,136
Profit for the financial year	-	-	-	543,156,665	543,156,665
Total comprehensive income for the year	-	-	-	543,156,665	543,156,665
Dividends declared	-	-	-	(475,000,000)	(475,000,000)
Total transactions with owners, recognised directly in equity	-	-	-	(475,000,000)	(475,000,000)
Balance as at 29 February 2020	15,002	1,667,914	53,526,639	83,298,246	138,507,801
Balance as at 1 March 2020	15,002	1,667,914	53,526,639	83,298,246	138,507,801
Profit for the financial year	-	-	-	272,060,446	272,860,446
Total comprehensive income for the year	-	-	-	272,860,446	272,860,446
Dividends declared	-	-	-	(152,003,850)	(152,003,850)
Total transactions with owners, recognised directly in equity	-	-	-	(152,003,850)	(152,003,850)
Balance as at 28 February 2021	15,002	1,667,914	53,526,639	204,154,842	259,364,397

The notes on pages 19 to 25 form an integral part of these financial statements.

Notes to the financial statements

1 General information

The Company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 7 Clifford Street, London, W1S 2FT.

2 Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of accounting

The financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value in accordance with FRS 102.

(b) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent company, TCI Fund Holdings Limited, includes the Company's cash flows in its own consolidated financial statements.

FRS 102 defines financial institutions and requires financial institutions to provide additional disclosures for the financial instruments held by these entities. The Company does not meet the FRS 102 criteria for a financial institution. The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(c), from preparing financial instrument disclosures, on the basis that it is a qualifying entity and its parent company, TCI Fund Holdings Limited, provides equivalent disclosures in its own consolidated financial statements.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(e), from preparing key management personnel compensation disclosures, on the basis that it is a qualifying entity and its consolidating parent company, TCI Fund Holdings Limited, provides equivalent disclosures in its own consolidated financial statements.

(c) Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is US Dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

All foreign exchange gains and losses are taken to the Statement of Comprehensive Income.

(d) Turnover

Turnover represents fees received for the provision of investment management and related services provided to investment funds. Management and performance fees are recognised when the Company obtains the right for consideration in exchange for its performance of services. Turnover is measured at the fair value of the consideration received, excluding value added tax.

Turnover also includes amounts charged to the investment funds in relation to additional management services, including research costs incurred in the delivery of investment management services. These amounts are recognised when they become due and payable.

Notes to the financial statements *(continued)*

3 Accounting Policies *(continued)*

(e) Employee benefits

The Company provides a range of benefits to Directors and employees.

(i) Short-term benefits

The Company provides paid holiday arrangements and medical insurance to Directors and employees. Non-monetary benefits are recognised as an expense in the period in which the services is received.

(ii) Defined contribution pension plans

Employees and Directors have the option to participate in the Company's defined contribution pension scheme, to which the Company will make contributions up to a maximum amount. There is no ongoing liability to the Company beyond the period that the contributions are made. The costs of such contributions are charged to the Statement of Comprehensive Income when incurred.

(f) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(g) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Notes to the financial statements *(continued)*

3 Accounting Policies *(continued)*

(g) Financial instruments *(continued)*

(i) Financial assets *(continued)*

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income, except those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and bank overdrafts. Bank overdrafts, when applicable are shown within borrowings in current liabilities.

(i) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

(j) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant.

4 Turnover

Turnover is wholly attributable to the provision of investment management services. Analysis of turnover by geographical market is as follows:

	28 February 2021 \$	29 February 2020 \$
Rest of World	552,733,176	801,006,579
Europe (excluding United Kingdom)	3,590,284	85,504,297
United Kingdom	653,977	1,291,882
	<u>556,977,437</u>	<u>887,802,758</u>

Notes to the financial statements (continued)

5 Operating profit

	28 February 2021	29 February 2020
	\$	\$
Operating profit is stated after (crediting) / charging:		
Gains on foreign exchange transactions	(6,656,788)	(1,263,713)
<i>Services provided by the Company's auditors</i>		
Fees payable for the audit of the Company's financial statements	18,509	16,300
Fees payable for other services provided pursuant to other legislation	5,868	5,167

6 Staff numbers and costs

The average monthly number of persons employed by the Company during the year, analysed by category, was as follows:

	28 February 2021	29 February 2020
	No.	No.
Directors	2	2
Professional staff	1	1
Administrative staff	4	3
	7	6

The aggregate payroll costs of these persons, including the Directors, were as follows:

	28 February 2021	29 February 2020
	\$	\$
Wages and salaries	1,252,753	939,379
Social security costs	170,543	137,599
Other pension costs	9,938	7,810
	1,433,234	1,084,788

Wages and salaries include wages and salaries, bonuses and employee short-term benefits.

Directors

The Directors' emoluments were as follows:

	28 February 2021	29 February 2020
	\$	\$
Aggregate emoluments	418,304	402,253
	418,304	402,253

Highest paid Director

	28 February 2021	29 February 2020
	\$	\$
Aggregate emoluments	288,844	274,452
	288,844	274,452

One director (2020: one) was a member of a defined contribution or defined benefit pension scheme.

Notes to the financial statements (continued)

7 Tax on profit

(a) Tax expense included in Statement of Comprehensive Income

	28 February 2021	29 February 2020
	\$	\$
Current tax		
UK corporation tax on profit for the year	69,647,805	127,766,106
Adjustments in respect of prior period	(1,747,994)	(48,056)
Total current tax	67,899,811	127,718,050
Total tax charge for the year	67,899,811	127,718,050

(b) Reconciliation of tax charge

The tax accrual for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%).

	28 February 2021	29 February 2020
	\$	\$
Profit before taxation	340,760,257	670,874,715
Profit before taxation multiplied by the standard rate of UK corporation tax (2021: 19%; 2020: 19%)	64,744,449	127,466,196
Effects of:		
Adjustments in respect of prior period	(1,747,994)	(48,056)
Expenses not deductible for tax purposes	1,192	53,666
Currency differences	4,902,164	246,244
Total tax charge for the year	67,899,811	127,718,050

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the Statement of Financial Position date, its effects are not included in these financial statements. Had it been substantively enacted by the Statement of Financial Position date, there would be no impact to the tax expense for the year ended 28 February 2021.

8 Debtors

	28 February 2021	29 February 2020
	\$	\$
Amounts owed by group undertakings	376,582	10,132,805
Corporation tax	2,343,838	-
Other debtors	683,128	6,379,372
Prepayments and accrued income	56,968,672	109,578,519
	60,372,220	126,090,696

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9 Creditors: Amounts falling due within one year

	28 February 2021	29 February 2020
	\$	\$
Trade creditors	844,363	6,210,824
Amounts owed to group undertakings	4,033,984	9,275,139
Amounts owed to related undertakings	143,411	105,730
Corporation tax	-	69,180,091
Other taxation and social security	28,454	14,585
Other creditors	531,468	368,962
Accruals and deferred income	3,359,553	721,171
	8,941,233	85,876,502

The amounts owed to group and related undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements (continued)

10 Called up share capital and reserves

Share capital

	Number	\$
10,000 Ordinary A shares of \$1.50 each, allotted and fully paid		
At 1 March 2020	10,000	15,000
At 28 February 2021	10,000	15,000
1 Ordinary B share of \$1.50, allotted and fully paid		
At 1 March 2020	1	2
At 28 February 2021	1	2
Total shares, allotted and fully paid		
At 1 March 2020	10,001	15,002
At 28 February 2021	10,001	15,002

The Ordinary A shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. The Ordinary A shares do not confer any rights of redemption, other than pursuant to Chapter 5 of Part 18 of the Companies Act 2006.

The Ordinary B shares do not carry any voting rights, unless there are no Ordinary A shares in issue. The Ordinary B shares do not carry the right to participate in any dividends of the Company. The Ordinary B shares carry the right to capital distributions on winding up of the Company. The Ordinary B shares do not confer any rights of redemption, other than pursuant to Chapter 5 of Part 18 of the Companies Act 2006.

Share premium and other reserves

	Share premium \$	Capital Reserve \$
At 1 March 2020	1,667,914	53,526,639
At 28 February 2021	1,667,914	53,526,639

The Capital Reserve is a non-distributable reserve, consisting of non-refundable, gratuitous contributions.

Dividends

	28 February 2021 \$	29 February 2020 \$
Dividends declared	152,003,850	475,000,000

11 Contingent liabilities and commitments

There are no contingent liabilities or commitments noted at 28 February 2021 (2020: \$nil)

12 Related party transactions

(a) Investment management and related services

The Company entered into transactions during the year with Talos Capital Designated Activity Company ("Talos"), TCI Luxembourg S.a r.l ("TCI Luxembourg"), CIFF Capital UK LP ("CIFF Capital"), CIFF Investments LLP ("CIFF I"), CIFF Investments II Limited ("CIFF II"), CIFF Investments III LLP ("CIFF III"), TCI Advisory Services LLP ("TCI AS"), TCI Fund Management (US) Inc. ("TCI Inc") and TCI Fund Management (Ireland) Limited ("TCI Ireland"), all of which are related to the Company through common control, in respect of investment management and related services.

Notes to the financial statements (continued)

12 Related party transactions (continued)

(a) Investment management and related services (continued)

With effect from 30 December 2019, the Management Agreements between The Children's Investment Fund Management (Cayman) Limited ("TCI Cayman") and a number of investment funds were terminated. The investment funds subsequently appointed TCI Cayman as the Procurement Agent with the responsibility of identifying, selecting and procuring the services of one or more investment managers. TCI Cayman appointed the Company to manage the investment activities of the investment funds. From 30 December 2019 there were no further related party transactions between the Company and TCI Cayman, the fees are now earned directly from the investment funds.

In prior years the Company entered into transactions with Talos Properties Limited ("Talos Properties"). Talos Properties was wound up voluntarily during 2020 and the engagement with the Company was terminated.

The total net amounts charged by / (to) the Company during the year and the total amounts outstanding as receivable / (payable) at the year end were as follows:

	Charges for the year		Balance outstanding	
	28 February 2021	29 February 2020	28 February 2021	29 February 2020
	\$	\$	\$	\$
TCI Cayman	-	506,166,681	-	-
Talos	1,593,448	84,702,370	-	57,975,450
Talos Properties	-	1,214,819	-	-
TCI Luxembourg	50,000	50,000	-	-
CIFF UK	587,031	-	-	-
CIFF I	16,437	21,740	-	5,999
CIFF II	27,090	41,804	-	10,383
CIFF III	19,155	7,762	-	4,657
TCI AS	(83,289,620)	(141,918,006)	(4,015,072)	(3,586,218)
TCI Inc	(13,423,619)	(9,257,984)	(59,624)	(105,730)
TCI Ireland	(546,056)	-	(83,787)	-

(b) Administrative services

During the year, TCI Fund Services LLP, a related group entity, charged the Company \$16,797,950 (2020: \$16,943,041) in respect of operational support services. At the year end, an unsecured amount of \$347,902 was due from TCI Fund Services LLP (2020: \$3,990,889 due to TCI Fund Services LLP).

(c) Other transactions

During the year, the Company made charitable donations to The Children's Investment Fund Foundation (UK) ("CIFF") to the value of \$71,978,525 (2020: \$nil). CIFF is related due to C. Hohn, a Director of the Company, being a trustee of CIFF.

During the year, the Company made charitable donations to The CH Foundation (UK) ("CHF UK") to the value of \$11,900,000 (2020: \$nil). CHF UK is related due to C. Hohn, a Director of the Company, being a trustee of CHF UK.

During the year, the Company and TCI Fund Services (Finance) LLP, a related group entity, paid for costs on behalf of each other. At the year end, an unsecured amount of \$18,912 was due to TCI Fund Services (Finance) LLP (2020: \$10,132,805 due from TCI Fund Services (Finance) LLP).

13 Ultimate controlling party

The Company's immediate parent company is TCI Fund Management (UK) Limited. TCI Fund Holdings Limited is the smallest and largest group to consolidate these financial statements. The consolidated financial statements of TCI Fund Holdings Limited can be obtained from 7 Clifford Street, London, W1S 2FT.

The ultimate parent undertaking is The Children's Investment Fund Management (Cayman) Limited, an entity registered in the Cayman Islands.

The ultimate controlling party is C. Hohn.

14 Events after the reporting period

There have been no significant events which require further disclosure since the Statement of Financial Position date and the date these financial statements were authorised for issue.