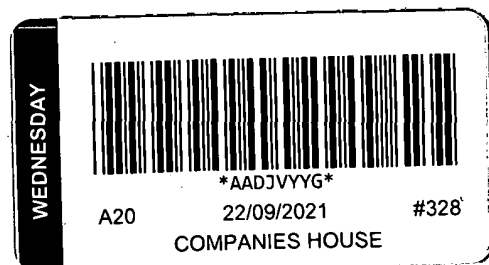


Registration number: 01550489

BlackRock UK Holdco Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



BlackRock UK Holdco Limited

Contents

Strategic Report	1 to 6
Directors' Report	7 to 8
Independent Auditor's Report	9 to 12
Profit and Loss Account	13
Balance Sheet	14
Statement of Changes in Equity	15 to 16
Notes to the Financial Statements	17 to 27

BlackRock UK Holdco Limited

Strategic Report for the Year Ended 31 December 2020

The Board of directors ("the Board") presents its Strategic Report for BlackRock UK Holdco Limited ("the Company") for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is that of a holding company for certain Swiss and Channel Islands entities within the BlackRock, Inc. group.

There have not been any significant changes in the Company's principal activities in the period under review and the directors propose that the principal activities will continue during 2021.

Corporate strategy

Corporate strategy is developed and reviewed at a global and regional level. This Strategic Report will therefore focus on both global and regional industry trends and areas of strategic focus, while relating them to the services that the Company provides.

The Company's role in the global group

The Company is part of BlackRock, Inc. ("BlackRock" or "the firm"), a leading publicly traded investment management firm with \$8.7tn (2019: \$7.4tn) in assets under management ("AUM") as at 31 December 2020. With approximately 16,500 employees in more than 30 countries who serve clients in over 100 countries around the globe, BlackRock provides a broad range of investment and technology services to institutional and retail clients worldwide.

Key performance indicators

Profit after tax

Profit for the year ended 31 December 2020 has decreased by 2.9% to £66.2m (2019: £68.2m) primarily due to a net interest expense and tax charge for the year partially offset by the increase in dividend income.

Net assets

Net assets increased by 16.4% to £929.8m at 31 December 2020 (2019: £798.8m) reflecting an increase in investment in the Company's subsidiary, BlackRock Channel Islands Holdco Limited, with a contribution of an interest free convertible loan note in exchange for one share plus premium totalling £132.6m.

Principal risks and uncertainties

The Board is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness.

The Board has considered a number of potential risks and uncertainties affecting the Company's business and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Board.

This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives. Both the principal risks and the monitoring system are also subject to robust assessment at least annually.

Actions taken by the Board to manage and mitigate the Company's principal risks and uncertainties are set out as follows:

BlackRock UK Holdco Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Credit risk

Risk description: credit risk is the risk that a counterparty to the Company defaults or deteriorates in creditworthiness before the final settlement of a corporate transaction or other credit obligation. Credit risk exposure may also occur through the normal course of business from the investment of corporate cash.

Risk mitigation: the Company minimises its exposure through centrally managed intercompany balances that are settled on a regular basis. The Treasury and Risk and Quantitative Analysis departments continuously monitor the creditworthiness of HSBC, the Company's corporate bank.

Corporate liquidity risk

Risk description: corporate liquidity risk is the risk that the Company is not able to meet its financial obligations as they come due without adversely impacting its financial position, its ability to operate its normal course of its business, or its reputation.

Risk mitigation: BlackRock has a liquidity governance framework and policy that are designed to: identify, quantify, forecast and monitor BlackRock's liquidity needs, risks and requirements; maintain liquidity resources in excess of requirements; and maintain an appropriate governance and controls framework for the usage and allocation of corporate liquidity.

Corporate tax risk

Risk description: corporate tax risk is the risk of financial loss, reputational damage and/or loss of investor confidence arising from failure to comply with local tax regulations; ineffective controls over tax accounting or reporting; failure to manage changes in taxation rates, law, ownership, or corporate structure; or failure to disclose accurate information on a timely basis. This risk also arises where the Company's own tax treatments, policies or procedures are subject to interpretation by tax authorities that differ from the Company's or its advisors' interpretations. This can lead to the Company needing to adjust its structures, practices or strategies.

Risk mitigation: the Company's controls around tax reporting are designed to prevent errors and ensure compliance with disclosure requirements within prescribed timeframes. The Company seeks to comply with all relevant accounting and regulatory disclosure requirements to mitigate the risk of any public restatements of financial reporting information.

Non-financial (operational) risks

Risk description: non-financial risks are operational risks that arise from events or actions, other than financial transactions, that can negatively impact the operations, assets or reputation of the Company. These risks may, but do not always have, an adverse financial impact, and are often the result of inadequate internal processes, controls, people or systems, or external events. Key operational risks facing the Company include:

- *Operational (process) risk:* risk of financial loss or reputational impact resulting from inadequate or failed internal processes and controls, human error, or systems, which may occur within the Company's internal operations.
- *Compliance risk:* risk that the Company's services, activities, or operations are not conducted in compliance with applicable law and regulations, including those laws and regulations which impose fiduciary obligations, that conflicts of interest are not appropriately mitigated or that there is a failure to appropriately manage regulatory reporting requirements.
- *Information security/cyber risk:* risk arising from the inability to control and protect the Company's information from internal or external security events, which includes loss of confidentiality, integrity, and availability of information stored on computer systems. This loss may arise through employee accidents, intrusion attacks, malicious behaviour, errors, design weakness, or breakdowns in controls. Information security/cyber incidents can result in material financial loss, loss of competitive position, reputational harm, or legal liability.

BlackRock UK Holdco Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

- *Financial crime risk:* risk arising from the failure to prevent external or internal parties from gaining access to, or utilising, company assets for criminal purposes which include money laundering, breaches of economic sanctions, fraud, bribery and corruption.
- *People/culture risk:* risk of failure to maintain appropriate key talent management practices and human resources operational activities, which could adversely affect the Company's performance and reputation. This risk also includes the risk associated with employee relations disputes arising from the behaviour of employees and potential lawsuits.
- *Financial reporting risk:* risk resulting from ineffective internal controls over financial reporting or failure to prepare and/or disclose accurate information in financial statements, which could have an adverse impact on the Company's reputation and lead to the restatement of accounts, increased regulatory scrutiny, or fines.

Risk mitigation: BlackRock has a well-established operational risk management framework that provides appropriate control and oversight over risk management arrangements. The operational risk management framework supports BlackRock's fiduciary obligations and mitigates the risk of poor customer outcomes. The Company has adopted a risk management framework based on a three lines of defence model comprised of the following four elements:

- Risk governance, including setting risk tolerances, establishing policies and procedures, establishing regional and global risk committees and overseeing the risk management framework.
- Risk identification and assessment, including identifying the Company's key risks and emerging risks, identifying business unit risk through tools such as risk and control self-assessments and regular meetings with business units, reviewing new products and major changes and reviewing internal and external operating events.
- Risk monitoring and measurement, quantifying and forecasting risks and monitoring against risk tolerances. This includes monitoring and investigating operating events, and recording them in a database of operating events, establishing and monitoring key risk indicators in the context of the Company's risk tolerance.
- Risk reporting, providing information and reports to functional and regional business management, boards, committees and regulators. This includes risk profile reporting and operating event and large operating event reporting.

Reputational risk

Risk description: reputational risk is the risk arising from an adverse perception on the part of existing and potential stakeholders, overseers and business partners (e.g. BlackRock's clients, regulators, government bodies, trading counterparties and suppliers) that could negatively impact revenue, earnings and brand value. Reputational risk can emerge as a standalone risk, but it also can be a consequence of another risk, for example, reputational risk is closely linked to the culture of BlackRock and the conduct of its employees.

Risk mitigation: BlackRock's reputation is one of its most important assets and BlackRock expects all of its employees to act with the highest level of integrity with clients and in markets. As a client-focused business, BlackRock considers reputational risk to be a fundamental aspect of all business and risk management activities. Reputational risk exposure is an integral part of the Company's Enterprise Risk Management Framework and a key focus for internal control processes around strategic decisions, products and services, operational processes, corporate governance, responsibility and communications, client and other external relationships.

BlackRock UK Holdco Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Strategy/Business risk

Risk description: strategy/business risk arises from adverse business decisions or improper implementation of those decisions that could negatively impact revenue, earnings, and brand value. This includes adverse impact from factors such as competition, structural industry changes, asset class shifts, geopolitical instability, macro-economic conditions, falling behind industry changes or relationships with other entities. This risk is a function of the alignment between the Company's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation. Two noteworthy examples of strategy/business risk have been:

- *Climate risk:* a growing awareness of the ongoing and potential future impact of climate change is shifting the views and expectations of BlackRock's key stakeholders including clients, regulators, shareholders, employees and the broader public as well as the way BlackRock think about climate risks as an investment risk. Climate change poses risks and opportunities that may impact the companies in which BlackRock invests on behalf of its clients. The risk arises both in terms of the physical risk associated with rising global temperatures, and also transition risk, namely, how the global transition to a low-carbon economy could affect a company's long-term profitability. The investment risks presented by climate change are set to accelerate a significant reallocation of capital, which will in turn have an impact on the pricing of risk and assets around the world.
- *Natural disasters, pandemics or health crises:* events outside of the Company's control, including natural disasters, pandemics or health crises (such as the Covid-19 pandemic), may arise from time to time. Any such events, and responses thereto, may cause significant volatility and declines in global markets, disruptions to commerce (including to economic activity, travel and supply chains), loss of life and property damage. They may adversely affect the global economy or capital markets, as well as BlackRock's products, clients, vendors, operations and employees, which in turn may cause BlackRock's AUM, revenue and earnings to decline. In particular, as the Covid-19 pandemic increases in duration, the continuation of measures to counteract the spread of the virus (e.g. social distancing) could result in an even broader economic downturn which could have a prolonged negative impact on the Company's financial results.

Risk mitigation: BlackRock mitigates strategy / business risk by making extensive efforts to respond to industry uncertainties and business opportunities. BlackRock also anticipates business environment changes and then implements the necessary changes to generate better outcomes for BlackRock and its clients.

In relation to risks posed by climate change, BlackRock has committed to put sustainability at the centre of risk management, portfolio construction, product design and Company engagement. The commitment has been widely communicated to stakeholders, including a letter to shareholders during January 2020, which can be accessed at the following link:

<https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>.

Additionally, in December 2020 BlackRock, Inc. published its first Task Force on Climate-Related Financial Disclosures ("TCFD") - aligned report detailing BlackRock's climate-related risks and opportunities, which can be accessed at the following link:

<https://www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2020-blkinc.pdf>

In order to mitigate Covid-19 impact, market movements are closely monitored by BlackRock's investment research teams, and strategic decisions are taken by portfolio managers to proactively manage risk in line with each client's investment objective. BlackRock has in place a detailed business continuity management programme that is focused on maintaining business operations in the event of a crisis. BlackRock's preparedness approach includes an extensive programme to monitor, review and assess threats and, where necessary, to respond to incidents that might impact our employees and operations. BlackRock has updated its key protocols to ensure there are appropriate mechanisms to manage:

BlackRock UK Holdco Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

- process resilience and compliance, including information technology infrastructure; and
- the impact on third party service providers.

Conduct risk

Risk description: conduct risk is the risk arising from inappropriate behaviour by the Company which leads to detriment to the Company or has a negative impact on market integrity.

Risk mitigation: conduct risk is present in all of the Company's activities and responsibility for managing conduct risk is embedded throughout the Company's organisational and governance arrangements. All BlackRock employees are expected to follow the BlackRock Principles and the Code of Business Conduct and Ethics. One of the Company's core principles is 'We are a fiduciary to our clients' and BlackRock expects all of its employees to put clients' interests first, to comply with all regulations, to abide by the law and to act with the highest level of integrity with clients and in markets.

Regulatory change risk

Risk description: regulatory change risk arises due to the uncertainty the Company faces as a result of significant changes in regulations or the regulatory environment that could adversely impact the Company's business or strategy. This risk may be compounded by uncertainty about the ultimate form, timing and impact of regulatory changes. The Company supports financial reforms that increase transparency, protect investors, and facilitate responsible growth of capital markets while also preserving consumer choice and assessing benefits versus implementation costs.

BlackRock's business and operating activities are subject to regulatory oversight in the UK and internationally, and the Company may be affected by a number of reform initiatives.

Group risk

Risk description: group risk is the risk that the financial position of the Company may be adversely impacted by its relationships with other BlackRock entities or by risks that may affect the financial position of the whole group. As a member of the BlackRock, Inc. group, the Company faces the risk that decisions made by the Group, or circumstances impacting the Group, may either directly impact the Company or may 'spill-over' and have an impact on the Company. These could include, but are not limited to strategic mergers or acquisitions, divestiture decisions, severe financial distress, reputational damage or decisions regarding the ability or willingness to provide services to the Company.

Risk mitigation: group risk is mitigated by the Company's senior management and control functions being represented in the Group's global decision-making bodies, and by the Company having documented contractual arrangements for services with the Group.

Further details on the wider risks facing BlackRock as a whole, including more in-depth descriptions of each of the above matters, can be found in the BlackRock, Inc. Form 10-K to the United States Securities Exchange Commission.

BlackRock UK Holdco Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Companies Act s172 Statement

The directors of the Company must act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they should have regard to other factors, including those set out in section 172(1) of the Companies Act 2006. As the Company is a wholly-owned, non-operational, subsidiary of the BlackRock group, its parent companies and other members of the BlackRock group are key stakeholders of the Company. Accordingly, the interests of the BlackRock group have been taken into account by the directors. In particular, the directors have considered how the following actions will affect key stakeholders:

- approving cash repatriation transactions; and
- approving its annual financial statements, including carefully considering its going concern status in light of COVID-19.

The Company, as a subsidiary of BlackRock, adheres to the group's code of ethics which can be found here: https://s24.q4cdn.com/856567660/files/doc_downloads/governance_documents/Code-of-Business-Conduct-and-Ethics_20200430.pdf

The Company does not have any employees. The BlackRock group's employee policies, more broadly, can be found here:

<https://www.blackrock.com/corporate/responsibility/human-capital#:~:text=Our%20non-harassment%20policy%20details%20BlackRock%E2%80%99s%20commitment%20to%20providing,for%20reporting20and20responding%20to%20issues%20of%20concern.>

To ensure an efficient and effective approach, certain stakeholder engagement is led at the BlackRock group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the BlackRock group. As the Company is part of a wider group, the duties of the directors of the Company are exercised in a way that is most likely to promote the success of the Company for the BlackRock group as a whole, while having regard to factors outlined in section 172(1) Companies Act 2006.

Approved by the Board and signed 8 September 2021 on its behalf by:



.....
S Fawcett
Director

BlackRock UK Holdco Limited

Directors' Report for the Year Ended 31 December 2020

The Board presents its report together with the audited financial statements of BlackRock UK Holdco Limited (registered number: 01550489) for the year ended 31 December 2020.

The directors have chosen, in accordance with section 414C (11) of the Companies Act 2006, to include certain additional matters in the Strategic Report that would otherwise be required to be disclosed in the Directors' Report.

Dividends

A dividend of £67.8m was paid during the financial year (2019: £647.0m)

Directors and officers of the Company

The directors, who held office during the year and up to the date of this report, were as follows:

C McDonald (resigned 15 January 2021)

C Thomson (resigned 15 January 2021)

O Al-Alawi

The following directors were appointed after the year end:

B Bryden (appointed 13 January 2021)

S Fawcett (appointed 13 January 2021)

Officers:

BlackRock Company Secretarial Services (UK) Limited - Company secretary

Statement of directors' responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They 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.

BlackRock UK Holdco Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Going concern

The directors believe that the Company is well placed to manage its business risks successfully. After making enquiries and considerations explained in note 2, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

There are no going concern issues as a result of the Covid-19 outbreak and subsequent increase in volatility in the global macroeconomic environment.

Directors' third-party indemnity provisions

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2020 for the benefit of the then directors and, at the date of this report, are in force for the benefit of the directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

Reappointment of auditors

The auditors Deloitte LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to the auditors

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved by the Board and signed 8 September 2021 on its behalf by:



.....
S Fawcett
Director

BlackRock UK Holdco Limited

Independent Auditor's Report to the Members of BlackRock UK Holdco Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BlackRock UK Holdco Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of BlackRock UK Holdco Limited which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the Related Notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC"'s) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

BlackRock UK Holdco Limited

Independent Auditor's Report to the Members of BlackRock UK Holdco Limited (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 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 (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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act 2006 and Tax legislation set by the UK government and overseen by HM Revenue & Customs ("HMRC"); and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

BlackRock UK Holdco Limited

Independent Auditor's Report to the Members of BlackRock UK Holdco Limited (continued)

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, compliance reports, and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

BlackRock UK Holdco Limited

Independent Auditor's Report to the Members of BlackRock UK Holdco Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Patrick Werner CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom

8 September 2021

BlackRock UK Holdco Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Income from investments in group companies		67,779	63,491
Administrative expenses		<u>-</u>	<u>-</u>
Operating profit	4	67,779	63,491
Interest receivable and similar income	7	246	5,638
Interest payable and similar charges	8	<u>(795)</u>	<u>(795)</u>
Profit before tax		67,230	68,334
Tax on profit	9	<u>(1,005)</u>	<u>(146)</u>
Profit for the year		<u><u>66,225</u></u>	<u><u>68,188</u></u>

The Company has no other comprehensive income other than the results above. Consequently, no statement of comprehensive income for the year ended 31 December 2020 has been presented.

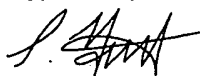
Operating profit derives wholly from continuing operations.

The notes on pages 17 to 27 form an integral part of these financial statements.

BlackRock UK Holdco Limited
(Registration number: 01550489)
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
Fixed assets			
Investments	10	932,731	808,165
Current assets			
Debtors: amounts falling due after one year	11	15,000	-
Debtors: amounts falling due within one year	12	589	1,222
Cash and cash equivalents		11,781	18,770
		<u>27,370</u>	<u>19,992</u>
Creditors: amounts falling due within one year	13	<u>(1,277)</u>	<u>(345)</u>
Net current assets		<u>26,093</u>	<u>19,647</u>
Total assets less current liabilities		958,824	827,812
Creditors: amounts falling due after more than one year			
Loans and borrowings	14	<u>(29,000)</u>	<u>(29,000)</u>
Net assets		<u>929,824</u>	<u>798,812</u>
Capital and reserves			
Called up share capital	15	700	700
Share premium reserve		854,525	721,959
Other reserves		74,599	180,000
Profit and loss account		<u>-</u>	<u>(103,847)</u>
Shareholders' funds		<u>929,824</u>	<u>798,812</u>

Approved by the Board and signed 8 September 2021 on its behalf by:



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S Fawcett
Director

The notes on pages 17 to 27 form an integral part of these financial statements.

BlackRock UK Holdco Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Share premium reserve £ 000	Other reserves* £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	700	721,959	180,000	(103,847)	798,812
Profit for the year	-	-	-	66,225	66,225
Other reserves transfer	-	-	(105,401)	105,401	-
Issue of share capital	-	132,566	-	-	132,566
Dividends	-	-	-	(67,779)	(67,779)
At 31 December 2020	<u>700</u>	<u>854,525</u>	<u>74,599</u>	<u>-</u>	<u>929,824</u>

During the year, the Company issued one share plus premium in exchange for a convertible loan note instrument totalling £132.6m. Additionally, the Company made a transfer from Other reserves, £105.4m.

* Other reserves represent a capital contribution in the form of cash in 2018 and qualifies as distributable reserves. Capital contributions represent a gift and there is no obligation on the Company to repay the contributions or do anything in return.

The notes on pages 17 to 27 form an integral part of these financial statements.

BlackRock UK Holdco Limited

Statement of Changes in Equity for the Year Ended 31 December 2020 (continued)

	Share capital	Share premium reserve	Other reserves*	Profit and loss account	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2019	700	330,431	180,000	44,492	555,623
Profit for the year	-	-	-	68,188	68,188
Share premium conversion	-	(430,431)	-	430,431	-
Issue of share capital	-	821,959	-	-	821,959
Dividends	-	-	-	(646,958)	(646,958)
At 31 December 2019	<u>700</u>	<u>721,959</u>	<u>180,000</u>	<u>(103,847)</u>	<u>798,812</u>

During 2019, the Company issued one share plus premium in exchange for a cash contribution of £100.0m and one share plus premium in exchange for a convertible loan note instrument totalling £722.0m. Additionally, there was a share premium conversion of £430.4m.

* Other reserves represent a capital contribution in the form of cash in 2018 and qualifies as distributable reserves. Capital contributions represent a gift and there is no obligation on the Company to repay the contributions or do anything in return.

The notes on pages 17 to 27 form an integral part of these financial statements.

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The Company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:
12 Throgmorton Avenue
London
EC2N 2DL

These financial statements were authorised for issue by the Board on 8 September 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Basis of preparation

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 ("FRS 100") as issued by the Financial Reporting Council ("FRC"). Accordingly, in the year ended 31 December 2020 the Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") issued by the FRC.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Summary of disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain standards, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the group accounts of BlackRock, Inc. These accounts are available to the public and can be obtained as set out in note 18.

Exemption from preparing group accounts

The financial statements contain information about BlackRock UK Holdco Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, BlackRock, Inc., a company incorporated in the United States of America.

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 5 along with principal risks and uncertainties.

In assessing the going concern status, the directors have taken into account the above factors, including the financial position of the Company and its subsidiaries in particular the significant net-asset position. Furthermore, the companies that have borrowed money from BlackRock UK Holdco Limited have sufficient resources to repay on demand. The Company has, at the date of this report, sufficient existing finances available for its estimated requirements for the next twelve months. This, together with the proven ability of the Company's subsidiaries to generate cash from operations, provides the directors with the confidence that the Company is well placed to manage its business risks successfully.

After making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Changes in accounting policy

New standards, interpretations and amendments adopted

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on the financial statements.

Foreign currency transactions and balances

The financial statements are presented in sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Tax

Income tax expense represents the sum of the tax currently payable.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Investments

Investments are equity holdings in subsidiaries. They are measured at cost less any provision for impairment.

Investments are tested for impairment annually or whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

Dividends

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Dividends payable are included in the financial statements in the period in which they are approved by the directors.

Return of capital

A return of capital reflects a distribution of original capital back to the shareholders'. The receipt of a return of capital is recognised when the distribution clearly constitutes a recovery of the initial investment made.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. The difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit and loss account.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit and loss account.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e. the date on which the Company commits to purchase or sell the financial assets and becomes party to the contractual provisions of the instrument.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVTOCI").

The classification is determined by both:

- the Company's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

In the periods presented the Company does not have any financial assets categorised as FVTOCI or FVTPL.

All income and expenses relating to financial assets that are recognised in the profit and loss account are presented within interest receivable and interest payable.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial asset and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method and income is recognised on this basis. Discounting is omitted where the effect of discounting is immaterial.

The Company's cash and cash equivalents and loans fall into this category of financial instruments.

Impairment of financial assets

All debt-type financial assets, which are not measured at FVTPL, are assessed for impairment at each reporting date using a forward-looking approach by identifying expected credit losses ("ECLs"). ECLs are defined as the difference between the contractual cash flows that are due in accordance with the contract and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For assets held at amortised cost, any ECL is recognised in the profit and loss account with a corresponding adjustment to the asset's carrying value through a provision account.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for contingent consideration acquired in a business combination, held for trading liabilities (including derivatives) and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in the profit and loss account.

The Company's financial liabilities at amortised cost are loans and borrowings.

All interest-related charges are included in the profit and loss account within interest payable.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The Company's ordinary shares are classified as equity instruments.

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The directors do not consider that any critical accounting estimates or significant judgements have been made in the current period.

4 Operating profit

Arrived at after charging/(crediting):

	2020 £ 000	2019 £ 000
Foreign exchange gains	<u>-</u>	<u>-</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £ 000	2019 £ 000
Aggregate emoluments	<u>2</u>	<u>2</u>

Of the 3 (2019: 4) directors that served during the year, no directors were remunerated by the Company (2019: no directors). The amounts included above relate to their service as directors of the Company based on an estimated time allocation basis.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Received or were entitled to receive shares under service condition based schemes	2	4
Accruing benefits under defined contribution pension scheme	<u>2</u>	<u>3</u>

During the year, no director (2019: no director) exercised BlackRock, Inc. share options.

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

6 Auditor's remuneration

	2020 £ 000	2019 £ 000
Audit of the financial statements	<u>14</u>	<u>12</u>

Auditor's remuneration has been borne by another group company in the current and prior years.

7 Interest receivable and similar income

	2020 £ 000	2019 £ 000
Interest income on loans due from group companies	<u>246</u>	<u>5,638</u>

Loan notes receivable are detailed in note 11.

8 Interest payable and similar charges

	2020 £ 000	2019 £ 000
Interest payable on loans due to group companies	<u>795</u>	<u>795</u>

Details of the loan notes payable to group companies are provided in note 14.

9 Income tax

Tax charged in the profit and loss account:

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	<u>1,005</u>	<u>146</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019: lower than the standard rate of corporation tax in the UK) of 19% (2019: 19%).

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

9 Income tax (continued)

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	<u>67,230</u>	<u>68,334</u>
Corporation tax at standard rate	12,774	12,984
Decrease from effect of revenues exempt from taxation	(12,878)	(12,064)
Increase/(decrease) arising from group relief tax reconciliation	104	(920)
Other effects for reconciliation between accounting profit and tax expense (income)	<u>1,005</u>	<u>146</u>
Total tax charge	<u>1,005</u>	<u>146</u>

10 Investments

Subsidiaries	£ 000
Cost	
At 1 January 2019	98,206
Return of capital	(12,000)
Additions	<u>721,959</u>
At 31 December 2019	<u>808,165</u>
At 1 January 2020	808,165
Return of capital	(8,000)
Additions	<u>132,566</u>
At 31 December 2020	<u>932,731</u>
Carrying amount	
At 31 December 2020	<u>932,731</u>
At 31 December 2019	<u>808,165</u>

In June 2020, the Company received and passed on an interest-free convertible loan note of £132.6m (2019: £722.0) to BlackRock Channel Islands Holdco Limited in exchange for one share plus premium. The loan note has a term of 25 years, with a maturity date of 31 October 2044. The loan note cannot be unilaterally redeemed by the holder but is subject to mandatory conversion into ordinary shares of BlackRock (Luxembourg) S.A. at the maturity date. The note holder may also request conversion of the loan note during the term of the loan which will only be permitted if approved by the relevant regulatory authority.

In December 2020, the Company received a dividend of £8.0m (2019: £12.0m) from BlackRock Channel Islands Holdco Limited which was treated as a return of capital reducing the value of investment in the subsidiary.

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Investments (continued)

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2020	2019
BlackRock Asset Management Schweiz AG*	Institutional asset management research, analysis and advisory	Bahnhofstrasse 39, 8001, Zurich, Switzerland	100%	100%
BlackRock Growth Markets II SGP Limited	Founding and general partner in limited partnership	Ugland House, George Town, Grand Cayman, KY1-1104, Cayman Islands	100%	100%
BlackRockPrivate Infrastructure II SGP Limited	Founding and general partner in limited partnership	Ugland House, George Town, Grand Cayman, KY1-1104, Cayman Islands	100%	100%
Swiss Re Private Equity Partners V SGP Limited	Founding and general partner in limited partnership	Ugland House, George Town, Grand Cayman, KY1-1104, Cayman Islands	100%	100%
BlackRock Private Equity III GenPar LP Limited	Founding and general partner in limited partnership	Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda	100%	100%
BlackRock Channel Islands Holdco Limited*	Holding Company	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%
BlackRock (Channel Islands) Limited	Provision of investment management and administrative services for institutional and collective investment funds	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%
St Albans House Nominees (Jersey) Limited	Nominee Company	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2020	2019
BlackRock First Partner Limited	General Partner	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%

* indicates direct investment of the Company

11 Debtors: Amounts falling due after one year

£15.0m (2019: £nil) of debtors greater than one year relate to loans due from group companies which are repayable as follows:

Group Company	Description	Interest Rate	Maturity	2020 £000	2019 £000
BlackRock Group Limited	UK Holdco - BGL	2.1205%	20 March 2022	15,000	-
				<u>15,000</u>	<u>-</u>

In March 2020 a new loan note with BlackRock Group Limited was entered into with a maturity date of 20 March 2022.

12 Debtors: amounts falling due within one year

	31 December 2020 £ 000	31 December 2019 £ 000
Amounts due from group companies	589	1,222
	<u>589</u>	<u>1,222</u>

Amounts due from group companies relates entirely to interest receivable on intercompany loan notes.

13 Creditors: Amounts falling due within one year

	31 December 2020 £ 000	31 December 2019 £ 000
Amounts due to group companies	199	199
Corporation tax liability	1,078	146
	<u>1,277</u>	<u>345</u>

Excluding the loan notes shown below, all amounts due to group companies are unsecured, interest free and repayable on demand.

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

14 Loans and borrowings

	31 December 2020 £ 000	31 December 2019 £ 000
Loans and borrowings		
Loans due to group companies	<u>29,000</u>	<u>29,000</u>

Group Company	Description	Interest Rate	Maturity	2020 £000	2019 £000
BlackRock Finance Europe Limited	Tranche 3A	2.74%	30 September 2023	26,600	26,600
BlackRock Finance Europe Limited	Tranche 3B	2.74%	30 September 2023	<u>2,400</u>	<u>2,400</u>
				<u>29,000</u>	<u>29,000</u>

15 Share capital

Allotted, called up and fully paid shares

	31 December 2020 No. 000	31 December 2020 £ 000	31 December 2019 No. 000	31 December 2019 £ 000
Ordinary shares of £1 each	<u>700</u>	<u>700</u>	<u>700</u>	<u>700</u>

In June 2020, the Company issued 1 share with a par value of £1, resulting in share premium of £132.6m.

16 Dividends

	31 December 2020 £ 000	31 December 2019 £ 000
Dividend of £96.83 (2019: £924.22) per ordinary share	<u>67,779</u>	<u>646,958</u>

BlackRock UK Holdco Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

17 Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow members of the group.

Details of directors' remuneration are set out in note 5. There are no personnel other than directors, who as key management exercise authority and responsibility for planning, directing and controlling the activities of the Company.

18 Parent and ultimate parent undertaking

The Company's immediate parent is BlackRock Luxembourg Holdco S.à r.l. and the ultimate parent company and controlling party is BlackRock, Inc. a company incorporated in the State of Delaware in the United States of America. The parent company of the largest and smallest group that includes the Company and for which group accounts are prepared is BlackRock, Inc. Copies of the group financial statements are available upon request from the Investor Relations website at www.blackrock.com or requests may be addressed to Investor Relations at 55 East 52nd Street, New York, NY 10055, USA or by email at invrel@blackrock.com.

19 Non adjusting events after the financial period

In June 2021, the Company received a dividend of £47.5m from BlackRock Asset Management Schweiz AG and subsequently distributed £55.5m onto the Company's parent.