

Registration number: 10264412

# BlackRock UK (Beta) Limited

Annual Report and Financial Statements

for the Period from 6 July 2016 to 31 December 2017



## **BlackRock UK (Beta) Limited**

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## **BlackRock UK (Beta) Limited**

### **Strategic Report for the Period from 6 July 2016 to 31 December 2017**

The directors present their strategic report for BlackRock UK (Beta) Limited (the "company") for the period from 6 July 2016 to 31 December 2017.

#### ***The company's role in the global group***

The company is part of BlackRock, Inc. ("BlackRock"), a leading publicly traded investment management firm with \$6.3tn in assets under management ("AUM") at 31 December 2017. With approximately 13,900 employees in more than 30 countries who serve clients in over 100 countries, BlackRock provides a broad range of investment, risk management and technology services to institutional and retail clients worldwide.

The company was incorporated on 6 July 2016 and the directors propose that the principal activity, which is to act as the General Partner of BlackRock UK (Delta) LP, will continue during 2018.

#### ***Corporate strategy***

Corporate strategy is developed and reviewed at a global and regional level. The company provides the services of a General Partner to another BlackRock group entity in support of the corporate strategy. The 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.

#### ***Industry profile***

##### ***Global***

BlackRock's diverse platform of alpha-seeking active, index and cash management investment strategies across asset classes and geographies enables the group to tailor investment outcomes and asset allocation solutions for clients in all market environments. BlackRock also offers the investment and risk management technology platform, *Aladdin*®, risk analytics, advisory and technology services and solutions to a broad base of institutional and wealth management clients. BlackRock serves a diverse mix of institutional and retail clients across the globe, with a regionally focused business model including distinct leadership of the Americas, EMEA and Asia-Pacific regions.

BlackRock's Retail strategy is focused on an outcome-oriented approach to creating client solutions, including alpha-seeking active, index and alternative products, enhanced distribution and technology offerings. In the United States, BlackRock is leveraging its integrated wholesaler force to further penetrate distribution platforms and gain share among registered investment advisors. Internationally, BlackRock continues to diversify the range of investment solutions available to clients, penetrate new distribution channels and position effectively for regulatory change.

*iShares* growth strategy is centred on increasing global *iShares* market share and driving global market expansion. BlackRock intends to achieve these goals by pursuing global growth themes in client and product segments including core investments, fixed income, smart beta, financial instruments and precision exposures.

BlackRock believes Institutional results will be driven by enhancing BlackRock's solutions-oriented approach; deepening client relationships through product diversification and higher value-add capabilities; and leveraging *Aladdin*'s analytical and risk management expertise.

BlackRock continues to invest in technology and risk management offerings, which enhance BlackRock's ability to generate alpha, effectively serve clients and operate efficiently. BlackRock's technology portfolio includes *Aladdin* and *Aladdin Risk for Wealth Management*, *FutureAdvisor*, *Cachematrix*, as well as minority investments in *Scalable Capital* and *iCapital*.

## **BlackRock UK (Beta) Limited**

### **Strategic Report for the Period from 6 July 2016 to 31 December 2017 (continued)**

#### ***Regional***

On a regional basis, BlackRock in EMEA manages \$1.8tn of AUM for its clients. This generates \$3.6bn of revenue from a diversified client base and product range. Growth in the region has been powered by fixed income net inflows, reflecting strong flows into *iShares* and liability-driven investment solutions.

#### ***British exit from the European Union:***

Following the June 2016 vote to exit the European Union ("EU"), the United Kingdom served notice under Article 50 of the Treaty on European Union on 29 March 2017 to initiate the process of exiting from the EU, commonly referred to as "Brexit". The outcome of the negotiations between the United Kingdom and the EU in connection with Brexit is highly uncertain and information regarding the long-term consequences is expected to become clearer over time as negotiations progress. BlackRock continues to engage with European regulators to prepare for a range of potential outcomes in connection with Brexit to ensure that it continues to be able to access the EU market and service customers in those jurisdictions.

#### ***Key performance indicators***

##### ***Net assets***

The net assets of the company as at 31 December 2017 were \$132.

The performance of the company is included in the results of BlackRock, Inc. group which are disclosed in the BlackRock, Inc. group annual report and on Form 10-K to the United States Securities and Exchange Commission. BlackRock, Inc. manages its key performance indicators on a global basis but in consideration of individual legal entities. For this reason the company's directors believe that providing further performance indicators for the company itself would not enhance an understanding of the development, performance or position of the business of the company.

#### ***Principal risks and uncertainties***

Principal risks and uncertainties are managed by BlackRock at a global and regional level.

As a leading investment management firm, risk is an inherent part of BlackRock's business. Global markets, by their nature, are prone to uncertainty and subject participants to a variety of risks. BlackRock devotes significant resources across all of its operations to identifying, measuring, monitoring and managing risks, and invests in personnel and technology accordingly.

The specific risks and uncertainties relevant to the company may be categorised under two broad categories:

- operational risk events including cyber risk, arising from inadequate or failed internal processes, people and systems, or from external events, may result in direct costs and/or subsequent litigation and reputational damage; and
- balance sheet risk events, arising from credit risk losses on balance sheet assets.

#### ***Operational risk***

One of the major risks faced by the company is operational risk, which is the risk of direct or indirect impacts resulting from inadequate or failed internal processes, people and systems, or from external events. The company has a well-established operational risk management framework that provides appropriate control and oversight over risk management arrangements. The operational risk management framework supports the firm's fiduciary obligations to clients and mitigates the potential impacts of poor customer outcomes. The strong management of risk also ensures that disruptions to delivering client services are minimised.

## **BlackRock UK (Beta) Limited**

### **Strategic Report for the Period from 6 July 2016 to 31 December 2017 (continued)**

#### ***Cyber risk***

BlackRock considers information security to be of paramount importance and an essential cornerstone of its operations, and has implemented information security policies and controls that seek to ensure adequate protection against the adverse effects of failures in confidentiality, integrity and availability of information and information systems. The policies are reviewed and revised on an annual basis through a formal governance process, including approval across senior management, and there is a rolling programme of security awareness communication and training for all staff.

#### ***Balance sheet risk***

Credit risk arises in relation to receivables held on account with other BlackRock group companies as part of normal treasury operations. The risk of default in relation to amounts owed from other group companies is considered low as intercompany balances are managed centrally and agreed upon and settled on a regular basis.

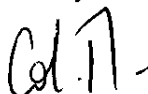
#### ***Capital management***

The company's objectives when managing capital are:

- to safeguard the company's ability to continue as a going concern.

The company takes into account the amount of its distributable reserves when making any decision to pay a dividend, thus ensuring that the company is able to continue as a going concern.

Approved by the Board on 3 April 2018 and signed on its behalf by:



.....  
CR Thomson  
Director

## **BlackRock UK (Beta) Limited**

### **Directors' Report for the Period from 6 July 2016 to 31 December 2017**

The board of directors (the "Board") presents its report together with the audited financial statements of BlackRock UK (Beta) Limited (registered number: 10264412) for the period from 6 July 2016 to 31 December 2017.

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.

#### **Principal activity**

The principal activity of the company is to act as the General Partner of BlackRock UK (Delta) LP.

#### **Dividends**

The company did not pay any dividends during the period. No dividends have been recommended after the year ended 31 December 2017, but before the Annual Report and Financial Statements were authorised for issue.

#### **Directors and officers of the company**

The directors, who held office during the period, were as follows:

AE Lane (appointed 16 September 2016)

P Matsumoto (appointed 16 September 2016)

CR Thomson (appointed 6 July 2016)

C McDonald (appointed 6 July 2016 and resigned 16 September 2016)

Officers:

BlackRock Company Secretarial Services (UK) Limited - Company secretary (appointed 6 July 2016)

#### **Statement of directors' responsibilities**

The directors are responsible 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 (Beta) Limited**

### **Directors' Report for the Period from 6 July 2016 to 31 December 2017 (continued)**

#### **Going concern**

The directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

#### **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 period ended 31 December 2017 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.

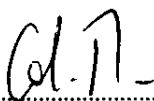
#### **Disclosure of information to the auditors**

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.

#### **Reappointment of auditor**

The auditor, Deloitte LLP, was appointed during the period and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 3 April 2018 and signed on its behalf by:

  
.....

CR Thomson  
Director

## **BlackRock UK (Beta) Limited**

### **Independent Auditor's Report to the Member of BlackRock UK (Beta) Limited**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its results for the period 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 (Beta) Limited for the period from 6 July 2016 to 31 December 2017, which comprise:

- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related Notes to the Financial Statements 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **Other information**

The directors are responsible for the 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 (Beta) Limited**

### **Independent Auditor's Report to the Member of BlackRock UK (Beta) Limited (continued)**

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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.

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

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

## **BlackRock UK (Beta) Limited**

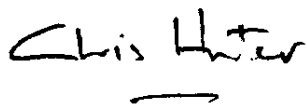
### **Independent Auditor's Report to the Member of BlackRock UK (Beta) Limited (continued)**

#### **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.



.....  
Chris Hunter CA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor

Edinburgh, United Kingdom  
3 April 2018

**BlackRock UK (Beta) Limited**

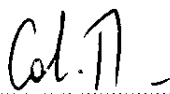
**Profit and Loss Account for the Period from 6 July 2016 to 31 December 2017**

The company has no items of profit and loss or other comprehensive income for the period, consequently no Profit and Loss Account or Statement of Other Comprehensive Income has been disclosed.

**BlackRock UK (Beta) Limited**  
**(Registration number: 10264412)**  
**Balance Sheet as at 31 December 2017**

	Note	31 December 2017 \$
<b>Current assets</b>		
Debtors: amounts falling due within one year	6	<u>132</u>
<b>Capital and reserves</b>		
Called up share capital	7	<u>132</u>
<b>Shareholder's funds</b>		<u><u>132</u></u>

Approved by the Board on 3 April 2018 and signed on its behalf by:

  
 .....  
 CR Thomson  
 Director

**BlackRock UK (Beta) Limited**

**Statement of Changes in Equity for the Period from 6 July 2016 to 31 December 2017**

	<b>Called up share capital \$</b>
At 6 July 2016	-
New share capital subscribed	<u>132</u>
At 31 December 2017	<u><u>132</u></u>

The notes on pages 12 to 17 form an integral part of these financial statements.

## **BlackRock UK (Beta) Limited**

### **Notes to the Financial Statements for the Period from 6 July 2016 to 31 December 2017**

#### **1 General information**

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

The address of its registered office is:

12 Throgmorton Avenue

London

EC2N 2DL

United Kingdom

These financial statements were authorised for issue by the Board on 3 April 2018.

#### **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 period ended 31 December 2017 the company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") issued by the FRC incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

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

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

##### **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, presentation of a cash-flow statement, standards not yet effective, impairment of assets, share-based payments 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 10.

##### **Disclosure of long or short period**

This is the first period for which the company has prepared an Annual Report and Financial Statements and is a long period from date of incorporation 6 July 2016 to 31 December 2017.

## **BlackRock UK (Beta) Limited**

### **Notes to the Financial Statements for the Period from 6 July 2016 to 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Exemption from preparing group accounts**

The financial statements contain information about BlackRock UK (Beta) 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 is included by full consolidation in the consolidated financial statements of its parent, BlackRock, Inc., a company incorporated in United States of America.

##### **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 3, along with key risks facing the company.

In assessing the company's going concern status, the directors have taken into account the above factors, including the financial position of the company. The company has, at the date of this report, sufficient existing finances available for its estimated requirements for the next twelve months. This 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. Accordingly, they have adopted and will continue to adopt the going concern basis in preparing the Annual Report and Financial statements.

##### **Tax**

The company has not generated income or incurred expenses and is therefore not subject to current or deferred tax.

##### **Financial instruments**

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

## **BlackRock UK (Beta) Limited**

### **Notes to the Financial Statements for the Period from 6 July 2016 to 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial assets and liabilities**

###### ***Classification***

Financial assets are classified as Loans and receivables.

The company does not have any financial liabilities.

###### ***Recognition and measurement***

All regular way purchases or sales of financial assets or liabilities are recognised and derecognised on a trade date basis. Regular way purchases or sales are those that require delivery of assets within the time frame established by regulation or convention of market place.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the profit or loss.

###### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income or expense is recognised on an effective interest basis for financial assets or liabilities other than those financial assets or liabilities classified as FVTPL.

###### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

###### ***Impairment of financial assets***

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting date. Financial assets are impaired when there is any objective evidence that, as a result of one or more events that occurred after the initial recognition of a financial asset, the estimate of the future cash flows of the investment have been impacted.



## **BlackRock UK (Beta) Limited**

### **Notes to the Financial Statements for the Period from 6 July 2016 to 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Derecognition of financial assets**

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risk and reward of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risk and reward of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had previously been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

#### **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, over and above those disclosed in the accounting policies in note 2, have been made in the current period.

#### **4 Directors' remuneration**

The directors' remuneration for the period was as follows:

	<b>2017</b>
	<b>\$</b>
Aggregate emoluments	<u>3,000</u>

Of the four directors that served during the year, none were remunerated by the company. The amounts included above relate to their service as directors of the company based on an estimated time allocation basis.

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

	<b>2017</b>
	<b>No.</b>
Received or were entitled to receive shares under service condition based schemes	3
Accruing benefits under defined contribution pension scheme	<u>2</u>

During the year, no directors exercised BlackRock, Inc. share options.

## **BlackRock UK (Beta) Limited**

### **Notes to the Financial Statements for the Period from 6 July 2016 to 31 December 2017 (continued)**

#### **5 Auditors' remuneration**

	<b>2017</b>
	<b>\$</b>
Audit of the financial statements	<u>8,007</u>

Auditors' remuneration for the audit of the financial statements has been borne by other group companies in the current period.

#### **6 Debtors: amounts falling due within one year**

	<b>31 December</b>
	<b>2017</b>
	<b>\$</b>
Amounts due from group companies	<u>132</u>
	<u>132</u>

Amounts due from group companies are unsecured, interest free and repayable on demand.

#### **7 Share capital**

##### **Allotted, called up and fully paid shares**

	<b>31 December</b>
	<b>2017</b>
	<b>No.</b>
	<b>\$</b>
Ordinary shares of \$1 each	<u>132</u>
	<u>132</u>

##### **New shares allotted**

During the period 132 Ordinary shares of \$1 each were allotted for an aggregate consideration of \$132.

#### **8 Financial instruments**

The company has no financial assets or liabilities measured at fair value.

## **BlackRock UK (Beta) Limited**

### **Notes to the Financial Statements for the Period from 6 July 2016 to 31 December 2017 (continued)**

#### **9 Related party transactions**

The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

Details of Directors' emoluments are set out in note 4. 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.

#### **10 Parent and ultimate parent undertaking**

The company's immediate holding company is BlackRock UK (Alpha) Limited 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](http://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](mailto:invrel@blackrock.com).

Registered number: LP017496

# BlackRock UK (Delta) LP

Partnership accounts  
for the Period from 8 July 2016 to 31 December 2017

841P



30/04/2018  
COMPANIES HOUSE

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10264412

## **BlackRock UK (Delta) LP**

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## **BlackRock UK (Delta) LP**

### **Strategic Report for the Period from 8 July 2016 to 31 December 2017**

The General Partner presents its Strategic Report for BlackRock UK (Delta) LP (the "Partnership") for the period from 8 July 2016, date of incorporation, to 31 December 2017.

#### ***The Partnership's role in the global group***

The Partnership is part of BlackRock, Inc. ("BlackRock"), a leading publicly traded investment management firm with \$6.3tn in assets under management ("AUM") as at 31 December 2017. With approximately 13,900 employees in more than 30 countries who serve clients in over 100 countries, BlackRock provides a broad range of investment, risk management and technology services to institutional and retail clients worldwide.

The Partnership was registered under the 1907 Limited Partnerships Act as a Limited Partnership on 8 July 2016. There have not been any significant changes in the Partnership's principal activities in the period under review and the General Partner proposes that the principal activities will continue during 2017.

#### ***Corporate strategy***

Corporate strategy is developed and reviewed at a global and regional level. The Partnership holds investments in group undertakings. The 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 Partnership provides.

#### ***Industry profile***

##### ***Global***

BlackRock's diverse platform of alpha-seeking active, index and cash management investment strategies across asset classes and geographies enables the group to tailor investment outcomes and asset allocation solutions for clients in all market environments. BlackRock also offers the investment and risk management technology platform, *Aladdin*®, risk analytics, advisory and technology services and solutions to a broad base of institutional and wealth management clients. BlackRock serves a diverse mix of institutional and retail clients across the globe, with a regionally focused business model including distinct leadership of the Americas, EMEA and Asia-Pacific regions.

BlackRock's Retail strategy is focused on an outcome-oriented approach to creating client solutions, including active, index and alternative products, enhanced distribution and technology offerings. In the United States, BlackRock is leveraging its integrated wholesaler force to further penetrate distribution platforms and gain share amongst registered investment advisors. Internationally, BlackRock continues to diversify the range of investment solutions available to clients, penetrate new distribution channels and position effectively for regulatory change.

*iShares*® growth strategy is centred on increasing global *iShares*® market share and driving global market expansion. BlackRock intends to achieve these goals by pursuing global growth themes in client and product segments including core investments, fixed income, smart beta, financial instruments and precision exposures.

BlackRock believes Institutional results will be driven by enhancing BlackRock's solutions-oriented approach; deepening client relationships through product diversification and higher value-add capabilities; and leveraging *Aladdin*'s analytical and risk management expertise.

BlackRock continues to invest in technology and risk management offerings, which enhance BlackRock's ability to generate alpha, effectively serve clients and operate efficiently. BlackRock's technology portfolio includes *Aladdin* and *Aladdin Risk for Wealth Management*, *FutureAdvisor*, *Cachematrix*, as well as minority investments in *Scalable Capital* and *iCapital*.

##### ***Regional***

On a regional basis, BlackRock in EMEA manages \$1.8tn of AUM for its clients. This generates \$3.6bn of revenue from a diversified client base and product range. Growth in the region has been powered by fixed income net inflows, reflecting strong flows into *iShares*® and liability-driven investment solutions.

## **BlackRock UK (Delta) LP**

### **Strategic Report for the Period from 8 July 2016 to 31 December 2017**

#### ***British exit from the European Union:***

Following the June 2016 vote to exit the European Union ("EU"), the United Kingdom served notice under Article 50 of the Treaty on European Union on 29 March 2017 to initiate the process of exiting from the EU, commonly referred to as "Brexit". The outcome of the negotiations between the United Kingdom and the EU in connection with Brexit is highly uncertain and information regarding the long-term consequences is expected to become clearer over time as negotiations progress. BlackRock continues to engage with European regulators to prepare for a range of potential outcomes in connection with Brexit to ensure that it continues to be able to access the EU market and service customers in those jurisdictions.

#### ***Key Performance Indicators***

##### ***Profit for the Year***

As shown in the Partnership's profit and loss account on page 8, the Partnership made a loss for the period of \$5.15m. This is due to the interest expense on intercompany loans exceeding the dividends received for the period.

##### ***Net assets***

The Partnership's net assets are \$1.71bn at 31 December 2017.

The performance of the Partnership is included in the results of BlackRock, Inc. group which are disclosed in the BlackRock, Inc. group annual report and on Form 10-K to the United States Securities and Exchange Commission. BlackRock, Inc. manages its key performance indicators on a global basis but in consideration of individual legal entities. For this reason the Partnership's members believe that providing further performance indicators for the Partnership itself would not enhance an understanding of the development, performance or position of the business of the Partnership.

#### ***Principal risks and uncertainties***

Principal risks and uncertainties are managed by BlackRock at a global and regional level.

As a leading investment management firm, risk is an inherent part of BlackRock's business. Global markets, by their nature, are prone to uncertainty and subject participants to a variety of risks. BlackRock devotes significant resources across all of its operations to identifying, measuring, monitoring and managing risks, and invests in personnel and technology accordingly.

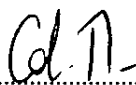
##### ***Cyber risk***

BlackRock considers information security to be of paramount importance and an essential cornerstone of its operations, and has implemented information security policies and controls that seek to ensure adequate protection against the adverse effects of failures in confidentiality, integrity and availability of information and information systems. The policies are reviewed and revised on an annual basis through a formal governance process, including approval across senior management, and there is a rolling programme of security awareness communication and training for all staff.

##### ***Market risk***

The Partnership has no material exposure to currency risk, credit risk and liquidity risk in relation to financial instruments. The Partnership has limited exposure to market risk in relation to its intercompany debt, specifically interest rate risk as all loan interest rates are fixed.

Signed on behalf of the General Partner

  
.....

3 April 2018

## **BlackRock UK (Delta) LP**

### **Report of the General Partner for the Period from 8 July 2016 to 31 December 2017**

#### **Introduction**

BlackRock UK (Delta) LP is a Limited Partnership registered in England under the Limited Partnership Act 1907.

BlackRock UK (Beta) Limited (the “General Partner”) presents its report, together with the audited financial statements of BlackRock UK (Delta) LP (the “Partnership”) (registered number: LP017496) for the period from 8 July 2016, date of incorporation, to 31 December 2017.

The Directors of the General Partner (the “Directors”) act on behalf of the Partnership.

The Partnership’s ultimate parent, BlackRock, Inc. (“BlackRock”), is listed on the New York Stock Exchange.

#### **Principal activity**

The principal activity of the Partnership is to manage and hold investments in other BlackRock group entities. The Partnership is the holding entity of BlackRock UK (Sigma) Limited.

#### **Distributions**

The Partnership did not declare or pay any distributions during the period ending 31 December 2017. No distributions have been declared by the Partnership after the period end and before the Partnership accounts are authorised for issue.

#### **Going concern**

The Directors believe that the Partnership is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the Partnership accounts.

#### **Statement of General Partner’s responsibilities**

The full responsibilities of the General Partner are set out in the Partnership’s Agreement of Limited Partnership (the “Partnership Agreement”).

The General Partner is required to prepare financial statements in respect of each accounting period in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS101”), the Companies Act as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008, and all other applicable legislation and otherwise in accordance with the terms and conditions of the Partnership Agreement. In preparing those financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS101 has been followed, subject to any material departures disclosed and explained in the Partnership accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Directors have a general responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and for taking steps as are reasonably open to them to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.



**BlackRock UK (Delta) LP**  
**Report of the General Partner for the Period from 8 July 2016 to 31 December 2017**

**Independent auditor**

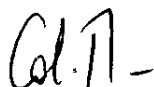
Each of the persons who are directors of the General Partner at the date of the approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP was appointed during the period and will be reappointed as auditor in accordance with the Partnership Agreement.

Signed on behalf of the General Partner

A handwritten signature in black ink, appearing to be 'Col. T. -', is written below the text 'Signed on behalf of the General Partner'.

3 April 2018

## **Independent Auditor's Report to the Partners of BlackRock UK (Delta) LP**

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2017 and of its loss for the period 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 as applied to Qualifying Partnerships.

We have audited the financial statements of BlackRock UK (Delta) LP (the 'Qualifying Partnership') which comprise:

- the profit and loss account;
- the reconciliation of movements in partner's funds;
- the balance sheet; and
- the related notes 1 to 11.

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 Qualifying Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the General Partner's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the General Partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Qualifying Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The General Partner is responsible for the other information. The other information comprises the information included in the Partnership accounts, 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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

## **Independent Auditor's Report to the Partners of BlackRock UK (Delta) LP**

this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of the General Partner**

As explained more fully in the Statement of General Partner's Responsibilities, the General Partner is 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 General Partner determines 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 General Partner is responsible for assessing the Qualifying Partnership'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 General Partner either intends to liquidate the Qualifying Partnership 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the to the qualifying partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters 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 the Report of the General Partner for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Report of the General Partner have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Qualifying Partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Report of the General Partner.

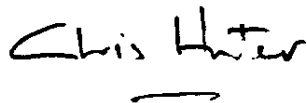
**Independent Auditor's Report to the Partners of  
BlackRock UK (Delta) LP**

**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.



.....  
Chris Hunter CA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor

Edinburgh, United Kingdom  
3 April 2018

**BlackRock UK (Delta) LP**  
**Profit and Loss Account for the Period from 8 July 2016 to 31 December 2017**

	Note	2017 \$
Dividends received from investments in group companies		248,395,924
Interest payable and similar charges	4	(253,546,189)
Administrative expenses		(546)
<b>(Loss) / profit for the financial period</b>	5	<u>(5,150,811)</u>

Results are derived wholly from continuing operations.

The notes on pages 11 to 17 form an integral part of these financial statements.

The Partnership has no other comprehensive income for the year other than the results above, consequently no statement of comprehensive income has been presented.

**BlackRock UK (Delta) LP**  
**Reconciliation of Movements in Partners' Funds for the Period from 8 July 2016 to**  
**31 December 2017**

	Note	2017 \$
Capital introduced		1,715,172,923
Loss for the financial year		<u>(5,150,811)</u>
<b>Net increase in Partners' funds</b>	<b>9</b>	<b>1,710,022,112</b>
At formation		-
<b>At end of the period</b>		<u><b>1,710,022,112</b></u>

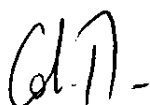
The notes on pages 11 to 17 form an integral part of these financial statements.

**BlackRock UK (Delta) LP**  
**(Registration number: LP017496)**  
**Balance Sheet as at 31 December 2017**

	Note	2017 \$
<b>Fixed assets</b>		
Investments	6	8,575,864,741
<b>Creditors: amounts falling due within one year</b>	7	(5,150,942)
Net current liabilities		<u>(5,150,942)</u>
Total assets less current liabilities		8,570,713,799
<b>Creditors: amounts falling due after more than one year</b>	8	(6,860,691,687)
Net assets		<u>1,710,022,112</u>
<b>Net assets attributable to the Partners</b>	9	<u>1,710,022,112</u>

The notes on pages 11 to 17 form an integral part of these financial statements.

These accounts were approved by the board of the General Partner and authorised for issue on 3 April 2018.



**Signed on behalf of the General Partner**

**BlackRock UK (Delta) LP**  
**Notes to the Financial Statements for the Period from 8 July 2016 to 31 December 2017**

**1. General information**

The Partnership is a limited partnership, incorporated on 8 July 2016 and domiciled in England.

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

**2. Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the period.

**Basis of preparation**

The Partnership 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 period ended 31 December 2017 has applied Financial Reporting Standard 101 ("FRS 101") Reduced Disclosure Framework as issued by the FRC incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

The financial statements have been prepared on the historical cost basis. 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 Partnership has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash-flow statement, standards not yet effective, impairment of assets, share-based payments 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 11.

**Exemption from preparing group accounts**

The financial statements contain information about BlackRock UK (Delta) LP as an individual entity and do not contain consolidated financial information as the parent of a group.

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

**Disclosure of long or short period**

This is the first period for which the Partnership has prepared Partnership accounts and is a long period from date of formation 8 July 2016 to 31 December 2017.



**BlackRock UK (Delta) LP**  
**Notes to the Financial Statements for the for the Period from 8 July 2016 to 31**  
**December 2017 (continued)**

**2. Accounting Policies (continued)**

**Going concern**

The Partnership'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 and 2 in addition to the Report of the General Partner, along with key risks facing the Partnership.

In assessing the Partnership's going concern status, the General Partner has taken into account the above factors, including the financial position of the Partnership. The Partnership has, at the date of this report, sufficient existing finances available for its estimated requirements for the next twelve months. This provides the General Partner with the confidence that the Partnership is well placed to manage its business risks.

After making appropriate enquiries, the Directors have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have adopted the going concern basis of accounting in preparing the Partnership accounts.

**Dividends**

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

**Distributions**

Subject to sufficient funds being available, distributions are payable by the General Partner in accordance with provisions of the Partnership Agreement and accounted for in the period in which they are approved by the General Partner.

**Taxation**

The taxation payable on profits of the Partnership is a liability of the Partners outside of these financial statements.

**Investments**

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

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

**Financial instruments**

Financial assets and financial liabilities are recognised on the Partnership's balance sheet when the Partnership becomes a party to the contractual provisions of the instrument.

**Financial assets and liabilities**

***Classification***

The Partnership's financial liabilities are classified as other financial liabilities.

This classification depends on the nature and purpose of the financial assets or liabilities and is determined at the time of initial recognition.

Debt and equity instruments are classified as financial liabilities in accordance with the substance of the contractual arrangement.

**BlackRock UK (Delta) LP**  
**Notes to the Financial Statements for the for the Period from 8 July 2016 to 31**  
**December 2017 (continued)**

**2. Accounting Policies (continued)**

**Financial instruments (continued)**

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 Partnership are recognised at the proceeds received, net of direct issue costs.

**Recognition and measurement**

All regular way purchases or sales of financial assets and financial liabilities are recognised and derecognised on a trade date basis. Regular way purchases or sales are those that require delivery of assets within the time frame established by regulation or convention of market place.

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Effective interest method**

The effective interest or expense method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income or expense is recognised on an effective interest basis for financial assets and liabilities.

**Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the Partnership's obligations are discharged, cancelled or they expire. The difference between carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**3. Critical accounting judgement and key sources of estimation uncertainty**

In the application of the Partnership'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. 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, over and above those disclosed in the accounting policies in note 2, have been made in the current period.

**BlackRock UK (Delta) LP**  
**Notes to the Financial Statements for the for the Period from 8 July 2016 to 31**  
**December 2017 (continued)**

**4. Interest payable and similar charges**

	2017 \$
Interest on loan notes payable to group undertakings	253,546,189
	<u>253,546,189</u>

**5. Loss on ordinary activities**

Auditors' remuneration for the audit of the financial statements was \$8,006. This was borne by another group company in the current period.

The Partnership had no employees in the current period. No Partners' remuneration is paid by the Partnership.

**6. Investments**

	Investment in subsidiary undertakings \$
<b>Cost or valuation</b>	
At 8 July 2016	-
Additions	8,575,864,741
At 31 December 2017	<u>8,575,864,741</u>

During the period the Partnership invested \$8,575,864,741 in BlackRock UK (Sigma) Limited.

Details of the subsidiary as at 31 December 2017 are as follows:

Undertaking	Country of Incorporation	% Holding	Principal activity	Address of Registered Office
BlackRock UK (Sigma) Limited	United Kingdom	100%	Provision of foreign exchange trading services to entities within the group	12 Throgmorton Avenue, London, EC2N 2DL

**BlackRock UK (Delta) LP**  
**Notes to the Financial Statements for the for the Period from 8 July 2016 to 31**  
**December 2017 (continued)**

**7. Creditors : amounts falling due within one year**

	2017
	\$
Interest payable on intercompany loan notes	5,150,265
Other intercompany payables	677
	<u>5,150,942</u>

The terms of the intercompany loan notes are described below.

**8. Creditors : amounts falling due after more than one year**

	2017
	\$
Intercompany loan notes	<u>6,860,691,687</u>

Group Company	Description	Interest Rate	Maturity	2017 \$
BlackRock UK (Alpha) Limited	Tranche 1	2.53%	20 December 2020	500,000,000
BlackRock UK (Alpha) Limited	Tranche 2	2.56%	20 December 2021	2,000,000,000
BlackRock UK (Alpha) Limited	Tranche 3	2.56%	20 December 2021	3,500,000,000
BlackRock UK (Alpha) Limited	Tranche 4	3.66%	20 December 2031	96,965,416
BlackRock UK (Alpha) Limited	Tranche 5	3.72%	20 December 2032	387,861,662
BlackRock UK (Alpha) Limited	Tranche 6	3.72%	20 December 2032	375,864,609
				<u>6,860,691,687</u>

Interest is paid semi-annually. BlackRock UK (Delta) LP has the right to repay the principal of the notes, or any portion thereof, in each case without premium or penalty.

**BlackRock UK (Delta) LP**  
**Notes to the Financial Statements for the for the Period from 8 July 2016 to 31**  
**December 2017 (continued)**

**9. Partners' accounts**

	<b>Capital contribution accounts \$</b>	<b>Loan account \$</b>	<b>Income account \$</b>	<b>Total \$</b>
At 8 July 2016	1	-	-	1
On 16 December 2016	-	1,715,172,922	-	1,715,172,922
Loss for the financial period	-	-	(5,150,811)	(5,150,811)
At 31 December 2017	<u>1</u>	<u>1,715,172,922</u>	<u>(5,150,811)</u>	<u>1,710,022,112</u>

	<b>Capital contribution accounts \$</b>	<b>Loan account \$</b>	<b>Income account \$</b>	<b>Total \$</b>
BlackRock UK (Alpha) Limited	<u>1</u>	<u>1,715,172,922</u>	<u>(5,150,811)</u>	<u>1,710,022,112</u>
At 31 December 2017	<u>1</u>	<u>1,715,172,922</u>	<u>(5,150,811)</u>	<u>1,710,022,112</u>

Under the Partnership Agreement, the net income arising in each accounting period shall be allocated in the following order of priority: (1) in the payment of the expenses and liabilities of the Partnership; (2) to the General Partner the sum of £100 annually as a priority profit share; (3) the balance if any shall be allocated to the Limited Partner BlackRock UK (Alpha) Limited in proportion to its capital contribution subscribed.

**BlackRock UK (Delta) LP**  
**Notes to the Financial Statements for the for the Period from 8 July 2016 to 31**  
**December 2017 (continued)**

**10. Subsequent Events**

On 1 March 2018, BlackRock UK (Gamma) Limited acquired BlackRock UK (Alpha) Limited's limited partnership interest in the Partnership. BlackRock UK (Alpha) Limited assigned, novated and transferred its interest (including all of its rights, obligations and liabilities under the Limited Partnership Agreement) to BlackRock UK (Gamma) on this date.

**11. Parent undertaking and ultimate controlling party**

The Partnership's ultimate parent company and controlling party BlackRock, Inc., a company incorporated in the state of Delaware in the United States of America and listed on the New York Stock Exchange. The parent company of the largest and smallest group that includes the Partnership and for which group accounts are prepared is BlackRock, Inc.. Copies of the group financial statements of BlackRock, Inc. are available from the Investor Relations website at [www.blackrock.com](http://www.blackrock.com) or requests may be addressed to Investor Relations at 55 East 52<sup>nd</sup> Street, New York, NY 10055, USA or by e-mail at [invrel@blackrock.com](mailto:invrel@blackrock.com).