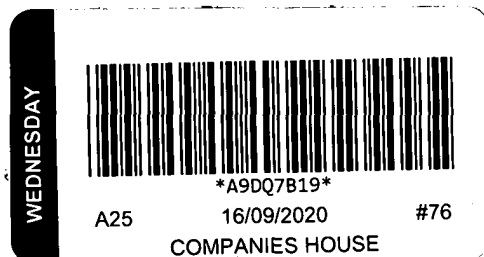


Registration number: 11225817

BlackRock UK (Gamma) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



BlackRock UK (Gamma) Limited

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BlackRock UK (Gamma) Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their Strategic Report for BlackRock UK (Gamma) Limited ("the company") for the year ended 31 December 2019.

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 \$7.43tn in assets under management ("AUM") as at 31 December 2019. With approximately 16,200 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.

There have not been any significant changes in the company's principal activities as described in the Directors' Report in the period under review. The Board of Directors ("the Board") proposes that the principal activities will continue during 2020.

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.

Industry profile

Global

BlackRock's diverse platform of alpha-seeking active, index and cash management investment strategies across asset classes enables BlackRock to tailor investment outcomes and asset allocation solutions for clients. Product offerings include single and multi-asset portfolios investing in equities, fixed income, alternatives and money market instruments. Products are offered directly and through intermediaries in a variety of vehicles, including open-ended and closed-end mutual funds, iShares® exchange-traded funds ("ETFs"), separate accounts, collective investment trusts and other pooled investment vehicles. BlackRock also offers technology services, including the investment and risk management technology platform, Aladdin®, Aladdin Wealth, eFront, Cachematrix and FutureAdvisor, as well as advisory services and solutions to a broad base of institutional and wealth management clients. BlackRock is highly regulated and manages its clients' assets as a fiduciary. BlackRock does not engage in proprietary trading activities that could conflict with the interests of clients.

BlackRock serves a diverse mix of institutional and retail clients across the globe, with a regionally focused business model. The firm's footprints in the Americas, EMEA and Asia-Pacific regions reflect strong relationships with intermediaries and an established ability to deliver global investment expertise in funds and other products tailored to local regulations and requirements. BlackRock leverages the benefits of scale across global investment, risk and technology platforms while at the same time using local distribution presence to deliver solutions for clients. Furthermore, BlackRock's structure facilitates strong teamwork globally across both functions and regions in order to enhance the firm's ability to leverage best practices to serve clients and continue to develop talent.

Clients include tax-exempt institutions, such as defined benefit and defined contribution pension plans, charities, foundations and endowments; official institutions, such as central banks, sovereign wealth funds, supranationals and other government entities; taxable institutions, including insurance companies, financial institutions, corporations and third-party fund sponsors, and retail investors.

BlackRock UK (Gamma) Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

The index investing industry has been growing rapidly, with ETFs as a major beneficiary, driven by structural tailwinds including the migration from commission-based to fee-based wealth management, clients' focus on value for money, the use of ETF as alpha tools and the growth of all-to-all networked trading. iShares® ETFs' growth strategy is centred on increasing scale and pursuing global growth themes in client and product segments, including Core, Strategic, which includes Fixed Income, Factors, Sustainable and Megatrend ETFs, and Precision Exposures.

As the wealth management landscape shifts globally from individual product selection to a whole-portfolio approach, BlackRock's Retail strategy is focused on creating outcome-oriented client solutions. This includes having a diverse platform of alpha-seeking active, index and alternative products, as well as enhanced distribution and portfolio construction technology offerings. Digital wealth tools are an important component of BlackRock's retail strategy, as BlackRock scales and customises model portfolios, extends Aladdin Wealth and digital wealth partnerships globally, and helps advisors build better portfolios through portfolio construction, powered by Aladdin®.

BlackRock's 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 services offerings, which enhance the ability to manage portfolios and risk, effectively serve clients and operate efficiently. Anticipated industry consolidation and regulatory requirements should continue to drive demand for holistic and flexible technology solutions. BlackRock offers investment management technology systems, risk management services, wealth management and digital distribution tools on a fee basis. BlackRock's technology portfolio includes Aladdin® and Aladdin Wealth, eFront, FutureAdvisor, Cachematrix, as well as minority investments in Scalable Capital, iCapital, Acorns and Envestnet.

Regional

On a regional basis, BlackRock in EMEA manages \$1.9tn of AUM for its clients as at 31 December 2019. This generates \$3.9bn of revenue from a diversified client base and product range as at 31 December 2019. Growth in the region has been powered by fixed income net inflows, reflecting strong flows into iShares® and liability-driven investment solutions.

Key performance indicators

Profit after tax

Profit after tax was \$25.0m for the year (2018: \$Nil). This was largely due to dividends received for the year.

Net assets

The net assets of the company as at 31 December 2019 were \$1,715m (2018: \$1,715m).

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.

BlackRock UK (Gamma) Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

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 on an ongoing basis.

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.

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

Natural disasters, pandemics or health crises

Risk description: events outside of BlackRock's control, including natural disasters, pandemics or health crises (such as the Coronavirus), may arise from time to time. Any such events, and responses thereto, may cause significant volatility and declines in the global markets and may adversely affect the global economy or capital markets, which may cause BlackRock's AUM, revenue and earnings to decline.

In particular, the recent spread of the Coronavirus ("Covid-19") across the globe since the early part of 2020 has caused equity markets to fall significantly, which has had a negative impact on the BlackRock's results post year end. As the pandemic increases in duration, the continuation of measures to counteract Covid-19 (e.g. social distancing) could result in an even broader economic downturn which could have a prolonged negative impact on BlackRock's financial results.

Risk mitigation: market movements are closely monitored by the BlackRock's investment research teams in line with each client's investment objective, and strategic decisions are taken by portfolio managers to proactively manage risk for each individual fund product managed. 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.

Operational risk

Risk description: 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 and controls and systems, or from external events. Further details on the wider risks facing the BlackRock group as a whole, including more in-depth descriptions of each of the above matters, can be found in the BlackRock, Inc. 10K SEC filing: <https://ir.blackrock.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=13966766>

Risk mitigation: the company utilises BlackRock's well-established operational risk management framework that provides appropriate control and oversight over risk management arrangements.

Liquidity risk

Risk description: liquidity risk is the risk that the company is unable to meet its financial obligations as they fall due without adversely affecting its financial position, the normal course of its business or its reputation.

Risk mitigation: the BlackRock governance framework and liquidity policies are designed to: identify, quantify and monitor the liquidity needs, risks and requirements; maintain liquidity resources in excess of liquidity requirements; and maintain an appropriate governance and controls framework for the measurement, monitoring, forecasting, stress testing, usage and allocation of corporate liquidity..

BlackRock UK (Gamma) Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Brexit

Since the Brexit vote in 2016, BlackRock has undertaken a thorough review of how the UK's exit from the European Union ("EU") will impact its business and operations in Europe.

On 31 January 2020, the UK formally left the EU and entered a transition period, during which the UK's arrangements with the EU will remain unchanged until 31 December 2020. There is currently uncertainty as to what type of deal will be negotiated between the UK and the EU from 1 January 2021 onwards, and it remains unclear how the future relationship will impact financial services.

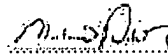
At present, the Board concludes that there is no need to change the company's operating model, but they will continue to monitor developments and prepare appropriate plans to ensure continuity of service post transition period.

In order to appropriately mitigate the above key risks and uncertainties, BlackRock has established a cross-functional Brexit Steering Committee that is coordinating its response to Brexit, in order to ensure that BlackRock's UK entities can continue to meet clients' needs post-Brexit. This Steering Committee provides updates as and when requested by the Board.

Impact on the company's financial statements

The Board, having considered the impact of Brexit, does not believe there to be a material impact on the fair value or carrying amount of the assets on its balance sheet.

Approved by the Board on 20 August 2020 and signed on its behalf by:



A J H Peters
Director

BlackRock UK (Gamma) Limited

Directors' Report for the Year Ended 31 December 2019

The Board presents its report together with the audited financial statements of BlackRock UK (Gamma) Limited (registered number: 11225817) for the year ended 31 December 2019.

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 that of a holding company for certain UK entities within the BlackRock, Inc. group. The company provides financing, and where appropriate acts as a holding company for other entities in the BlackRock, Inc. group.

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:

P Matsumoto

A J H Peters (appointed 4 January 2019)

C R Thomson (resigned 4 January 2019)

Officers:

BlackRock Company Secretary Services (UK) Limited - Company secretary

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 period. 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 Financial Reporting Standards 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 (Gamma) Limited

Directors' Report for the Year Ended 31 December 2019 (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, 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.

Having reviewed the financial position of the Company the directors have not identified any significant issues in relation to the going concern assumption as a result of the coronavirus outbreak and subsequent downturn in the global macroeconomic environment. This is explained further in note 12.

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 2019 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.

Important non adjusting events after the financial period

In June 2020 the company received a distribution of \$20.0m from BlackRock UK (Delta) LP. On the same date, the company paid a distribution of \$20.0m to BlackRock UK (Alpha) Limited.

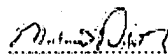
The emergence and spread of the coronavirus subsequent to 31 December 2019 has impacted business and economic activity on a global level. Since the start of the outbreak, BlackRock has been acting promptly and deliberately to ensure full operational capabilities.

In the company's view, it is not currently possible to properly estimate the impact of the coronavirus on the financial performance and health of the company. However, the business continuity plans are operating as planned with continuous monitoring and response to the situation as it evolves. Refer to note 12 for further detail.

Reappointment of auditors

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 20 August 2020 and signed on its behalf by:



A J H Peters
Director

BlackRock UK (Gamma) Limited

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BlackRock UK (Gamma) Limited (the "company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

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

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 (Gamma) Limited

Independent Auditor's Report to the Members of BlackRock UK (Gamma) 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 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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.

BlackRock UK (Gamma) Limited

Independent Auditor's Report to the Members of BlackRock UK (Gamma) 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.

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

20 August 2020

BlackRock UK (Gamma) Limited

Profit and Loss Account for the Year Ended 31 December 2019

	2019	2018
	\$ 000	\$ 000
Dividends received	<u>25,000</u>	<u>-</u>
Profit before tax	<u>25,000</u>	<u>-</u>
Profit for the year	<u>25,000</u>	<u>-</u>

The prior period includes the period from 26 February 2018 to 31 December 2018.

There are no other comprehensive income/expense items in the current year or prior period, therefore the profit for these periods represents the comprehensive income.


The notes on pages 13 to 19 form an integral part of these financial statements.

BlackRock UK (Gamma) Limited
(Registration number: 11225817)
Balance Sheet as at 31 December 2019

	Note	31 December 2019 \$ 000	31 December 2018 \$ 000
Fixed assets			
Investments	7	<u>1,715,173</u>	<u>1,715,173</u>
Net assets		<u>1,715,173</u>	<u>1,715,173</u>
Capital and reserves			
Share premium		<u>1,715,173</u>	<u>1,715,173</u>
Shareholders' funds		<u>1,715,173</u>	<u>1,715,173</u>

The balance sheet includes \$102 of share capital subscribed by BlackRock UK (Alpha) Limited which has not been disclosed as a separate line item as it is trivial.

Approved by the Board on 20 August 2020 and signed on its behalf by:



A J H Peters
Director

The notes on pages 13 to 19 form an integral part of these financial statements.

BlackRock UK (Gamma) Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Called-up share capital \$ 000	Share premium reserve \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2019	-	1,715,173	-	1,715,173
Profit for the year	-	-	25,000	25,000
Total comprehensive income	-	-	25,000	25,000
Dividends	-	-	(25,000)	(25,000)
At 31 December 2019	-	1,715,173	-	1,715,173

	Called-up share capital \$ 000	Share premium reserve \$ 000	Profit and loss account \$ 000	Total \$ 000
At 26 February 2018	-	1,715,173	-	1,715,173
At 31 December 2018	-	1,715,173	-	1,715,173

The notes on pages 13 to 19 form an integral part of these financial statements.

BlackRock UK (Gamma) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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

United Kingdom

These financial statements were authorised for issue by the Board on 20 August 2020.

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 periods presented, unless otherwise stated.

Basis of preparation

The company meets the definition of a qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' ("FRS 100") as issued by the FRC. Accordingly, in the year ended 31 December 2019 the company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") issued by the Financial Reporting Council ("FRC").

The financial statements have been prepared on the historical cost basis, except for the revaluation of any financial instruments at fair value. 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, presentation of a cash-flow statement, 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 11.

Exemption from preparing group accounts

The financial statements contain information about BlackRock UK (Gamma) 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 United States of America.

BlackRock UK (Gamma) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Disclosure of long or short period

The prior period for which the company has prepared an Annual Report and Financial Statements was a short period from date of incorporation 26 February 2018 to 31 December 2018.

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 4, 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 and its subsidiary. 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 despite the current economic outlook.

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 continue to adopt the going concern basis, being 12 months from the date of this report, in preparing the Annual Report and Financial Statements.

Having reviewed the financial position of the Company the directors have not identified any significant issues in relation to the going concern assumption as a result of the coronavirus outbreak and subsequent downturn in the global macroeconomic environment. This is explained further in note 12.

Dividends

Dividends payable and receivable are included in the financial statements in the period in which they are declared, being appropriately authorised and no longer discretionary.

Tax

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

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 (Gamma) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Investments

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

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

3 Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements

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 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 \$ 000	2018 \$ 000
Aggregate emoluments	3	34
Contributions paid to money purchase schemes	-	2
	<u>3</u>	<u>36</u>

Of the 3 (2018: 3) directors that served during the period, none were remunerated by the company (2018: none). 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:

	2019 No.	2018 No.
Received or were entitled to receive shares under long term incentive schemes	3	2
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

BlackRock UK (Gamma) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

5 Auditors' remuneration

	2019 \$ 000	2018 \$ 000
Audit of the financial statements	<u>6</u>	<u>8</u>
	<u>6</u>	<u>8</u>

Auditors' remuneration has been borne by another group company in the current and preceding year.

6 Income tax

The tax on profit before tax for the year is same as (2018: same as) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%).

	2019 \$ 000	2018 \$ 000
Profit before tax	<u>25,000</u>	<u>-</u>
Corporation tax at standard rate	4,750	-
Increase from effect of revenues exempt from taxation	(4,750)	-
Decrease arising from group relief tax reconciliation	(35,228)	(29,823)
Increase in Partnership distribution from BlackRock UK (Delta) LP	<u>35,228</u>	<u>29,823</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

7 Investments

Subsidiaries **\$ 000**

Cost

At 1 January 2019	<u>1,715,173</u>
At 31 December 2019	<u>1,715,173</u>
At 31 December 2018	<u>1,715,173</u>

Details of the subsidiaries as at 31 December 2019 are as follows:

BlackRock UK (Gamma) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

7 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and registered office address	Proportion of ownership interest and voting rights held	
			2019	2018
BlackRock UK (Delta) LP*	Financing and intermediary holding partnership	United Kingdom 12 Throgmorton Avenue, London, EC2N 2DL	100%	100%
BlackRock UK (Sigma) Limited	Provision of foreign exchange trading services to entities within the group	United Kingdom 12 Throgmorton Avenue, London, EC2N 2DL	100%	100%

*indicates direct investment of the company

8 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.

BlackRock UK (Gamma) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

9 Share capital

Allotted, called up and fully paid shares

	No.	31 December 2019 \$	No.	31 December 2018 \$
Ordinary shares of \$1 each	<u>102</u>	<u>102</u>	<u>102</u>	<u>102</u>

10 Dividends

	31 December 2019 \$ 000	31 December 2018 \$ 000
Dividend of \$245,099.00 (2018 - \$Nil) per ordinary share	<u>25,000</u>	<u>-</u>

11 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 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, NY10055, USA or by email at invrel@blackrock.com.

BlackRock UK (Gamma) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

12 Non adjusting events after the financial period

Distributions

In June 2020 the company received a distribution of \$20.0m from BlackRock UK (Delta) LP. On the same date, the company paid a distribution of \$20.0m to BlackRock UK (Alpha) Limited.

Coronavirus

Global markets have experienced high levels of volatility and a downturn in the global economic environment subsequent to 31 December 2019 as a result of the coronavirus outbreak. The coronavirus and the consequent impact on the global economy is considered a non-adjusting post balance sheet event. Consequently, no adjustments are required to be made to the financial position at 31 December 2019 as a result of this event.

Impact on business operations

From an operational perspective, BlackRock UK (Gamma) Limited, and the broader BlackRock group as a whole, continues to operate as expected. Business continuity plans ensure minimal disruption to its business or the company's ability to discharge its obligations to its various stakeholders.

From an operational perspective, BlackRock UK (Gamma) Limited, and the broader BlackRock group as a whole, continues to operate as expected. There has been no material impact on the carrying value of assets within BlackRock UK (Gamma) Limited. Business continuity plans are in place to ensure minimal disruption to business or the company's ability to discharge its obligations to its various stakeholders.