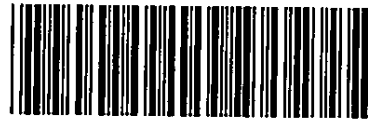


Registered number OC371085

BlackRock UK 3 LLP

Members' Annual Report and Financial Statements
for the Year Ended 31 December 2014

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BlackRock UK 3 LLP

Contents

Strategic Report	1 to 2
Members' Report	3 to 4
Members' Responsibilities Statement	5
Independent Auditor's Report	6 to 7
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10 to 17

BlackRock UK 3 LLP

Strategic Report for the Year Ended 31 December 2014

The Members present their Strategic Report for the year ended 31 December 2014

The Partnership's role in the global group

BlackRock UK 3 LLP (the "Partnership") is part of BlackRock, Inc ("BlackRock"), a leading global asset management firm with \$4.7tn in assets under management ("AUM") as at 31 December 2014. BlackRock offers a range of products across the risk spectrum to meet clients' needs, including active, enhanced and index strategies across markets and asset classes.

BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors.

The Members are confident that this diversity in BlackRock's business model will continue to capture asset flows and revenues in 2015. There have not been any significant changes in the Partnership's principal activities in the period under review and the members propose that the principal activities will continue during 2015.

Corporate strategy

Corporate strategy is developed and reviewed at a global and European, Middle East and Africa ("EMEA") regional level. The Partnership holds investment in group undertakings and seed investments in sponsored investment products services to clients and other group companies 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 Partnership provides.

Industry profile

Global

The asset management industry, both globally and regionally, continues to be highly fragmented. BlackRock has the largest market share with \$4.7tn of AUM of the global managed assets of c\$60tn.

The following key client trends have accounted for more than 100% of all industry flows in recent years:

- Investor appetite for index/ETF products
- Broad adoption of alternative investment products
- Movement towards unconstrained fixed income
- Shift to outcome and solutions investing
- Greater focus on income
- Planning for longevity and retirement
- Evolution of emerging markets

BlackRock is a top 10 firm in each of these areas, both in terms of AUM and inflows. In the areas of Index, Outcome and Solutions and Emerging Markets BlackRock is the market leader, while in the remaining areas BlackRock's market share has been expanding in these growing markets.

Regional

On a regional basis, BlackRock in EMEA manages >\$1.4tn 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 Retail and iShares® growth; this growth resulted from BlackRock's ability to take advantage of key changes in the European market including:

1. Regulatory changes - banning of commission payments to intermediaries as well as capital pressures on banks has led to changes in distribution models in Europe. BlackRock maintains the largest share of managed AUM in the region.
2. Increased focus by investors on product costs has led to the increase in indexed products, where BlackRock has a c26% share.
3. Changes in investor preferences towards outcome and solutions investing where BlackRock has the largest share of AUM.
4. Client's heightened risk aversion and desire to focus on risk management and reporting where BlackRock provides both advisory services through BlackRock Solutions® and its technology solution Aladdin.

BlackRock UK 3 LLP

Strategic Report for the Year Ended 31 December 2014

Areas of strategic focus

Against the industry profile and key industry trends the company, as part of the global group, will seek to achieve its mission of creating a better financial future for its clients through focusing on the following strategic areas

- iShares Exchange Traded Funds
- Outcome investing
- Retirement solutions
- Income investment
- Alternatives
- Emerging Markets

Specifically the Partnership holds investments in group undertakings and seed investments in sponsored investment products

Key Performance Indicators

Profit for the Year

Profit for the year decreased by €35.4m from €36.0m in 2013 to €0.6m in 2014 for the Partnership, driven by dividends received from investments in group companies of €36.0m in the prior year. No dividend was received in the current year.

Net assets

Net assets of the Partnership have increased from €2,670.4m in 2013 to €2,808.7m in 2014, this has resulted from increased investment in subsidiaries during the year.

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.

Going concern

The members believe that the Partnership is well placed to manage its business risks successfully despite the current economic outlook. After making enquiries, the members have a reasonable expectation that the Partnership 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.


Principal risks and uncertainties

Principal risks and uncertainties have been identified and are managed by BlackRock, Inc. at a global and regional level.

As a leading investment management firm, risk is an inherent part of BlackRock's business. BlackRock devotes significant resources across all of its operations to identifying, measuring, monitoring and managing risks, and invests in personnel and technology accordingly.

The Partnership has low exposures to credit risk and liquidity risk in relation to its cash, and current asset investments. The Partnership participates in BlackRock's Seed Capital Hedge Programme ("SCHP") which involves participants entering into derivative financial instrument transactions, in this case total return swaps, to economically hedge against market price exposures with respect to certain seed investments. 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.

Approved by the Board on 28 July 2015 and signed on its behalf by


C Thomson
Member of the Management Board

BlackRock UK 3 LLP
Members' Report for the Year Ended 31 December 2014

The Management Board (the "Board") present their report together with the audited financial statements of BlackRock UK 3 LLP for the year ended 31 December 2014

Principal activities

The principal activity of the Partnership is to hold investment in group undertakings and to hold seed investments in sponsored investment products. There were no significant changes to these activities during the period.

Dividends

No interim dividends were paid in 2014 (2013: €36.0m). The Board do not recommend the payment of a final dividend (2013: €nil).

Management Board

The management board members who held office during the year and up to the date of signing were as follows:

P Matsumoto (appointed 31 December 2014)

J DesMarais (resigned 31 December 2014)

K Perry (resigned 21 April 2015)

C Thomson

M Oh (appointed 21 April 2015)

Designated Members

The designated Members (as defined in the Limited Liability Partnerships Act 2000) who served on the board during the period were:

BlackRock Cayman Finco Limited ("Cayman Finco")

BlackRock UK 2 LLP ("LLP2")

Members' drawings and capital

All members are equity members and share in the profits and subscribe to the capital of the Partnership.

Each Member's capital account has been credited to reflect the aggregate of the amount of each Member's capital contribution. Members' accounts will be credited to reflect any further capital contributions made as determined by the financing requirements of the business. The Board shall not be obliged to make any distribution, unless there is sufficient cash available, which would render the LLP insolvent, or which would leave the LLP with insufficient funds to meet any future obligations.

Members' profit sharing

Net profits or net losses arising in each accounting period shall be allocated to the Members in proportion to their respective capital contributions or on such different basis as may be determined by the Members of the Board.

BlackRock UK 3 LLP
Members' Report for the Year Ended 31 December 2014

Independent auditor


Each of the persons who is a Member at the date of approval of this report confirms that

- so far as the Member is aware, there is no relevant audit information of which the Partnership's auditor is unaware, and
- the Member has taken all the steps that he ought to have taken as a Member, in order to make himself 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 have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in accordance with the LLP agreement

Approved by the Members on 28 July 2015 and signed on their behalf by



C Thomson
Member of the Management Board

BlackRock UK 3 LLP
Members' Responsibilities Statement for the Year Ended 31 December 2014

The Members are responsible for preparing the Members' Annual Report and the financial statements in accordance with applicable law and regulations

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with applicable law and Financial Reporting Standard 101 ("FRS 101") Reduced Disclosure Framework. The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

In preparing these financial statements, the Members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have 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 Partnership will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Management Board on behalf of the Members.

Independent Auditor's Report to the Members of BlackRock UK 3 LLP

We have audited the financial statements of Blackrock UK 3 LLP for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships (Account and Audit)(Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and auditor

As explained more fully in the Members' Responsibilities Statement (set out on page 5), the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2014 and of its profit for the year then ended,
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Opinion on other matter prescribed by the Companies Act 2006

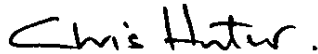
In our opinion the information given in the Strategic Report and the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of BlackRock UK 3 LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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
- we have not received all the information and explanations we require for our audit



Chris Hunter CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh
United Kingdom

28 July 2015

BlackRock UK 3 LLP
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 €'000	2013 €'000
Net gains on financial instruments held at fair value through profit or loss		731	512
Net losses on derivative financial instruments		-	(475)
Administrative expenses		<u>4</u>	<u>-</u>
Operating profit	3	735	37
Dividends received from investments in group companies		-	35,991
Interest payable and similar charges	4	<u>(160)</u>	<u>(10)</u>
Profit for the financial period available for discretionary division among Members	5	<u>575</u>	<u>36,018</u>

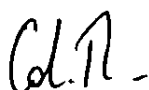
The result for the period arises from the Partnership's continuing operations

The Partnership has no other comprehensive income for the period other than the results above

BlackRock UK 3 LLP
Balance Sheet as at 31 December 2014

	Note	2014 €000	2013 €000
Fixed assets			
Investments in subsidiaries	6	2,780,036	2,642,243
Current assets			
Investments	8	46,087	23,357
Cash at bank		38,621	5,917
		84,708	29,274
Creditors Amounts falling due within one year	9	(55,085)	(12)
Net current assets		29,623	29,262
Total assets less current liabilities		2,809,659	2,671,505
Creditors Amounts falling due after more than one year	10	(920)	(1,134)
Net assets attributable to Members		<u>2,808,739</u>	<u>2,670,371</u>
Represented by:			
Members' capital classified as equity	11	<u>2,808,739</u>	<u>2,670,371</u>

The financial statements of BlackRock UK 3 LLP (registered number OC371085) on pages 8 to 9, and accompanying notes, were approved by the Members and authorised for issue on 28 July 2015. They were signed on the Members' behalf by



C Thomson

Member of the Management Board

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2014

1. Reporting entity

These financial statements are prepared for BlackRock UK 3 LLP, the principal activity of which is to hold investments in group undertakings and to hold seed investments in sponsored investment products

The Partnership is incorporated as a limited liability partnership under the Limited Liability Partnership Act 2000 and was incorporated and domiciled in Great Britain. The registered office is 12 Throgmorton Avenue, London, EC2N 2DL.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

Basis of preparation

The Partnership meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. Accordingly, in the period ended 31 December 2014 financial statements have been prepared in accordance with applicable law and Financial Reporting Standard 101 ("FRS 101") Reduced Disclosure Framework as issued by the Financial Reporting Council. The Partnership has applied FRS 100 and FRS 101 prior to the mandatory implementation date of 1 January 2015.

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 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 14.

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

Exemption from preparing group accounts

The financial statements contain information about BlackRock UK 3 LLP as an individual Partnership 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 undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, BlackRock, Inc., a company incorporated in the United States of America. The group accounts of BlackRock, Inc. are publicly available and can be obtained as set out in note 14.

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 page 1 and 2 in addition to the Members' report, along with key risks facing the Partnership. The financial statements include the financial and cash position of the Partnership in the balance sheet.

In assessing the Partnership's going concern status, the Members have 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 Members with the confidence that the Partnership is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Members' report and financial statements.

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2014

2. Accounting policies (continued)

Foreign currency

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

Transactions in currencies other than the Partnership's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Taxation

The taxation payable on profits of the Partnership is a liability of the Members and is not dealt with in these financial statements.

Members' remuneration

Remuneration paid to Members under employment contracts, any other non-discretionary amounts payable to Members and any automatic divisions of profit are recognised as an expense in the profit and loss account as incurred, under the heading 'Members' remuneration charged as an expense'.

A division of profits that is discretionary on the part of the Partnership is recognised as an appropriation of equity when the division occurs.

Fixed asset investments

Investments in subsidiaries are held at cost less impairment provisions. At each reporting date an assessment is undertaken to determine if there is any impairment.

Dividends

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

Financial instruments

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

Financial assets and financial liabilities are recognised initially at fair value. 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.

The Partnership's financial assets are classified as financial assets at 'fair value through profit or loss' ("FVTPL").

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2014

2. Accounting policies (continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL

A financial asset may be designated as at FVTPL upon initial recognition if

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Partnership's documented risk management or investment strategy, and information about the grouping is provided internally on that basis, or
- it forms part of a contract containing one or more embedded derivatives, and accounting standards permit the entire combined contract (asset or liability) to be designated as at FVTPL

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Derecognition of financial assets

The Partnership 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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in the 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.

Financial liabilities and equity

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

Equity instruments

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

Net assets attributable to Members have been classified as equity. Per the Partnership agreement the net income arising in each accounting period shall be allocated to the Members in proportion to their respective capital contributions or on such different basis as may be determined by the Members.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities', excluding the derivative financial instruments.

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2014

2. Accounting policies (continued)

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition of financial liabilities

The Partnership derecognises financial liabilities when, and only when, the Partnership's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Partnership participates in BlackRock, Inc's Seed Capital Hedge Programme ("SCHP") which involves participants entering into derivative financial instrument transactions, in this case total return swaps to economically hedge against market price exposures with respect to certain seed investments in sponsored investment products.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices ("level one"),
- The fair values of other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments ("level two"),
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives ("level three").

BlackRock UK 3 LLP
Notes to the Financial Statements for the Year Ended 31 December 2014

3. Operating profit

	2014 €000	2013 €000
Operating profit is stated after crediting/(charging)		
Foreign currency gains/(losses)	4	(18)
Auditor's remuneration – audit fees for the Partnership	-	18
	<u>4</u>	<u>-</u>

Auditor's remuneration has been borne by another group company in the current year. Fees payable to the Partnership's auditor, Deloitte LLP for the 2014 audit of the Partnership's annual accounts were €19,500 (2013: €18,000). There were no non-audit fees payable by the Partnership to the auditors during 2014 (2013: €nil).

4. Interest payable and similar charges

	2014 €000	2013 €000
Interest payable to group companies	<u>160</u>	<u>10</u>

5. Members' remuneration

The amount of profits to be distributed is determined after the financial statements have been finalised and approved by the Members. The profits are then shared amongst the Members after the end of the period in accordance with agreed profit sharing arrangements.

Members do not receive any interest on their capital contributions or any remuneration other than their share of profits in accordance with profit sharing agreements.

The average profit per Member is calculated by dividing the profit for the period before Members' remuneration and profit shares by the average number of Members.

The average number of Members during the period was two (2013: two).

The average profit per Member was €287,500 (2013: €18,009,000).

The share of profit (including remuneration) attributable to the Member with the largest entitlement to profit, consisting of profits allocated after the balance sheet date and remuneration during the period, was €574,600 (2013: €35,993,000).

BlackRock UK 3 LLP
Notes to the Financial Statements for the Year Ended 31 December 2014

6. Fixed asset investments

	Subsidiary undertakings €000
Cost	
At 1 January 2014	2,642,243
Additions	137,793
At 31 December 2014	<u>2,780,036</u>

During the year BlackRock UK 2 LLP invested a further €137,793,000 in BlackRock UK 4 LLP in exchange for Partnership capital

The following are investments in subsidiary undertakings

Undertaking	Country of Incorporation	% Holding	Principal activity
BlackRock UK 4 LLP*	United Kingdom	99.93% of Members' capital	To hold investments in group undertakings and seed investments
BlackRock Finco, LLC	Delaware, USA	100%	Financing and intermediary holding company
BlackRock Jersey Finco 2 Limited	Channel Islands	100%	Financing company

*indicates direct investment of the company

BlackRock UK 3 LLP **Notes to the Financial Statements for the Year Ended 31 December 2014**

7. Interest in unconsolidated structured entities

BlackRock holds interests in investment funds, some of which are considered to be structured entities within the definition of IFRS 12, and which are not consolidated. BlackRock holds an interest in these unconsolidated structured entities through a direct equity holding. The unconsolidated structured entities are constituted as open-ended and closed-ended investment companies, limited partnerships and investment trusts. These unconsolidated structured entities invest in a range of asset classes as detailed in the table below, together with the assets under management ("AUM") and BlackRock's percentage holding. The table below also summarises the carrying values of BlackRock's interests in unconsolidated structured entities funds as recognised in the balance sheet as at 31 December 2014, alongside the fair value gains and losses recognised in BlackRock's income statement for the year ended 31 December 2014.

The unconsolidated structured entities have various investment objectives and policies and are subject to the terms and conditions of their respective offering documentation. However, all unconsolidated structured entities invest capital from investors in a portfolio of assets in order to provide a return to those investors from capital appreciation of those assets, income from those assets, or both. Accordingly, they are susceptible to market price risk arising from uncertainties about future values of the assets they hold.

The unconsolidated structured entities are financed through a combination of equity capital provided by third party investors and seeding capital provided by BlackRock.

	AUM	Ownership	Investments at fair	Fair value gains
	31 Dec 2014	31 Dec 2014	value through P&L	through P&L
	€'000	%	31 Dec 2014	31 Dec 2014
			€'000	€'000
Alternatives	9,071	<1%	1,837	576
Equity mandates	4,960,454	<1%	20	3
Fixed income mandates	4,960,454	<1%	12	3
Multi-asset class mandates	64,096	2%	44,118	123
Cash Management mandates	163,498	<1%	100	26
Total	10,157,573		46,087	731

Maximum exposure to loss

BlackRock UK 3 LLP's maximum exposure to loss associated with its interest in these unconsolidated structured entities is limited to the carrying amount shown in the table above.

In addition, BlackRock UK 3 LLP has no unfunded capital commitments relating to unconsolidated structured entities invested in private equities and real estate projects.

Financial support

BlackRock UK 3 LLP has not provided financial support to any of its unconsolidated structured entities during the year, and has no contractual obligations or current intention of providing financial support in the future.

Other information

There are no liquidity arrangements, guarantees or other commitments that may affect the fair value or risk of BlackRock UK 3 LLP's interest in the unconsolidated structured entities.

BlackRock UK 3 LLP
Notes to the Financial Statements for the Year Ended 31 December 2014

8 Current asset investments

	2014 €000	2013 €000
Financial assets designated at FVTPL		
Listed investments	43,667	20,431
Unlisted investments	2,420	2,926
	<u>46,087</u>	<u>23,357</u>

Listed investments relate to seed investments in sponsored investment products

Unlisted investments relate to the MGPALimited's Limited partnership interests in MGPALimited funds acquired by the Partnership in 2013. The fair value of unlisted investments are based on the Partnership's share of the net asset value ("NAV") of each fund. As the investments in the financial assets are not traded in active markets, the fair value is determined using valuation techniques. The partnership uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

9 Creditors: Amounts falling due within one year

	2014 €000	2013 €000
Other financial liabilities		
Loan Notes	55,000	-
Amounts due to group companies	85	12
	<u>55,085</u>	<u>12</u>

On 27 June 2014 the Partnership received €45,000,000 on loan from BlackRock Financial Management Inc ("BFM"). The loan is Euro denominated, bears a fixed interest rate at 0.646%, payable semi-annually, and matures on 29 June 2015.

On 30 September 2014 the Partnership received a €10,000,000 loan from BFM. The loan is Euro denominated, bears a fixed interest rate at 0.5022%, payable semi-annually, and matures on 29 September 2015.

The amount of interest accrued on the loans was €160,000 of which €85,000 remains outstanding at year end. Amounts due to group companies are unsecured and repayable on demand.

10 Creditors: Amounts falling due after more than one year

	2014 €000	2013 €000
Other financial liabilities		
Co-investment payment deed	920	1,134

The Partnership acquired the MGPALimited's Limited partnership interests in MGPALimited funds in October 2013. The Partnership has a deferred liability to the seller payable upon receipt of distributions from funds.

BlackRock UK 3 LLP
Notes to the Financial Statements for the Year Ended 31 December 2014

11. Members' capital classified as equity

	Members' capital	Income account	Total
	€000	€000	€000
Members' interests at 1 January 2014	2,670,169	202	2,670,371
Profit for the financial period	-	575	575
Capital introduced	137,793	-	137,793
Members' interest at 31 December 2014	2,807,962	777	2,808,739

	Members' capital	Income account	Total
	€000	€000	€000
BlackRock UK 2 LLP	2,806,034	776	2,806,810
BlackRock Cayman Finco Limited	1,928	1	1,929
Members' interests at 31 December 2014	2,807,962	777	2,808,739

12. Subsequent events

On 27 March 2015 the Partnership received a €100,000,000 loan from BFM bearing an interest rate of 0.3986% with a maturity of 25 March 2016. In addition, accrued interest €170,500 was settled of payable as at 31 March 2015.

On 21 April 2015, the Partnership transferred its seed investment holdings of BSF Multistrategy Absolute Return to BlackRock UK A LLP.

On 24 June 2015 the Partnership repaid the principal on a loan note of €45,000,000 due to BFM and accrued interest of €71,868. Further to this, the Partnership received a new loan from BFM for €35,000,000, bearing an interest rate of 0.312% and a maturity of 23 June 2016.

13. Related party transactions

The Partnership has taken advantage of the exemption in FRS 101 from disclosure of related party transactions with members of the group, as it is a wholly-owned subsidiary and disclosures are therefore not required provided that any other subsidiary undertaking which is a party to the transactions is wholly-owned by a member of that group.

14. Ultimate controlling party

The ultimate parent company and controlling party is 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 or requests may be addressed to Investor Relations at 55 East 52nd Street, New York, NY 10055, USA or by e-mail at invrel@blackrock.com.