

Registration number: OC371085

BlackRock UK 3 LLP

Annual Report and Financial Statements

for the Year Ended 31 December 2022



BlackRock UK 3 LLP

Contents

Members' Report	1 to 2
Independent Auditor's Report	3 to 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Members' Interests	8
Notes to the Financial Statements	9 to 17

BlackRock UK 3 LLP

Members' Report for the Year Ended 31 December 2022

The members present their report together with the audited financial statements of BlackRock UK 3 LLP (registered number: OC371085) for the year ended 31 December 2022.

Principal activity

The principal activity of the partnership is to hold investments in group undertakings and to hold seed investments in sponsored investment products.

There have not been any significant changes in the partnership's principal activities in the period under review and the Management Board ("the Board") propose that the principal activities will continue during 2023.

Dividends

Dividends of €192.6m were paid in the year ended 31 December 2022 (2021: €113.9m).

Management Board

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

D Beattie

P Matsumoto

A Peters

Designated members

The designated members (as defined in the Limited Liability Partnerships Act 2000) who served on the board of members 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 distributions unless there is sufficient cash available and the distribution would not render the partnership insolvent or leave it with insufficient funds to meet 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.

Statement of members' responsibilities

The members acknowledge their responsibility 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 United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Under company law the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

BlackRock UK 3 LLP

Members' Report for the Year Ended 31 December 2022 (continued)

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Going concern

The members believe that the partnership is well placed to manage its business risks successfully. The members have a reasonable expectation that the partnership 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.

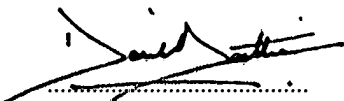
Disclosure of information to the auditors

Each member has taken steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the partnership's auditor is aware of that information. The members 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, is deemed to be reappointed under section 487(2) of the Companies Act 2006 as applied to Limited Liability Partnerships.

Approved by the members on 10 July 2023 and signed on their behalf by:



D Beattie
Member of the Management Board

BlackRock UK 3 LLP

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BlackRock UK 3 LLP (the 'limited liability partnership'):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2022 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, as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in members' interests; and
- the related notes to 1 to 15.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

BlackRock UK 3 LLP

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of members

As explained more fully in the statement of members' responsibilities, the members 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 members 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 members are responsible for assessing the limited liability 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 members either intend to liquidate the limited liability 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. This description forms part of our auditor's report.

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

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

We considered the nature of the limited liability partnership's industry and its control environment, and reviewed the limited liability partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the members about their own identification and assessment of the risks of irregularities, including those that are specific to the limited liability partnership's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the Companies Act 2006 as applied to LLPs, and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the limited liability partnership's ability to operate or to avoid a material penalty.

BlackRock UK 3 LLP

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

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

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

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

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

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership 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.

We have nothing to report in respect of these matters.

Use of our report

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. 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.



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Patrick Werner CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

Edinburgh
United Kingdom

10 July 2023

BlackRock UK 3 LLP

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 € 000	2021 € 000
Net (losses)/gains on financial instruments held at fair value through profit and loss		(25)	74
Administrative (expenses)/income		<u>(2)</u>	<u>52</u>
Operating (loss)/profit	4	(27)	126
Dividends received		192,645	113,904
Interest payable and similar charges	6	<u>(1)</u>	<u>(1)</u>
Profit before tax		192,617	114,029
Tax on profit		<u>-</u>	<u>-</u>
Profit for the year available for discretionary division among members		<u><u>192,617</u></u>	<u><u>114,029</u></u>

The above results were derived wholly from continuing operations.

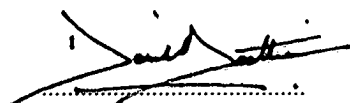
There are no other comprehensive income/expense items in the current or prior years, therefore the profit for these years represents the comprehensive income.

BlackRock UK 3 LLP

(Registration number: OC371085)
Balance Sheet as at 31 December 2022

	Note	31 December 2022 € 000	31 December 2021 € 000
Fixed assets			
Investments in subsidiaries	8	2,569,447	2,569,447
Current assets			
Investments	10	72	140
Cash and cash equivalents		<u>155</u>	<u>119</u>
		227	259
Creditors: Amounts falling due within one year	11	<u>-</u>	<u>(4)</u>
Net current assets		<u>227</u>	<u>255</u>
Net assets attributable to members		<u>2,569,674</u>	<u>2,569,702</u>
Represented by:			
Members' capital classified as equity		<u>2,569,674</u>	<u>2,569,702</u>

The financial statements of BlackRock UK 3 LLP (registered number OC371085) on pages 6 to 8, and accompanying notes, were approved by the members and authorised for issue on 10 July 2023. They were signed on the members' behalf by:



D Beattie
Member of the Management Board

BlackRock UK 3 LLP

Statement of Changes in Members' Interests for the Year Ended 31 December 2022

	Members' capital € 000	Income account € 000	Total € 000
Members' interests at 1 January 2022	2,597,373	(27,671)	2,569,702
Profit for the year	-	192,617	192,617
Dividends	-	(192,645)	(192,645)
Members' interests at 31 December 2022	<u>2,597,373</u>	<u>(27,699)</u>	<u>2,569,674</u>

	Members' capital € 000	Income account € 000	Total € 000
BlackRock UK 2 LLP	2,595,590	(27,680)	2,567,910
BlackRock Cayman Finco Limited	1,783	(19)	1,764
Members' interests at 31 December 2022	<u>2,597,373</u>	<u>(27,699)</u>	<u>2,569,674</u>

	Members' capital € 000	Income account € 000	Total € 000
Members' interests at 1 January 2021	2,597,373	(27,796)	2,569,577
Profit for the year	-	114,029	114,029
Dividends	-	(113,904)	(113,904)
Members interests at 31 December 2021	<u>2,597,373</u>	<u>(27,671)</u>	<u>2,569,702</u>

	Members' capital € 000	Income account € 000	Total € 000
BlackRock UK 2 LLP	2,595,590	(27,652)	2,567,938
BlackRock Cayman Finco Limited	1,783	(19)	1,764
Members' interests at 31 December 2021	<u>2,597,373</u>	<u>(27,671)</u>	<u>2,569,702</u>

The notes on pages 9 to 17 form an integral part of these financial statements.

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The partnership is incorporated as a limited liability partnership under the Limited Liability Partnership Act 2000 and was incorporated and domiciled in the United Kingdom.

The address of its registered office is:

12 Throgmorton Avenue

London

EC2N 2DL

These financial statements were authorised for issue by the members on 10 July 2023.

Principal activity

The principal activity of the partnership is to hold investments in group undertakings and to hold seed investments in sponsored investment products.

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 partnership 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, the partnership has applied FRS 101.

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 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, 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.

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.

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Going concern

After making appropriate enquiries, the members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Changes in accounting standards

New accounting standards, interpretations and amendments adopted

None of the standards, interpretations and amendments issued by the International Accounting Standards Board ("IASB") which are effective for the first time from 1 January 2022 have had a material effect on the financial statements.

Foreign currency transactions and balances

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. Exchange differences on monetary items are recognised in the profit and loss account in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. 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. Exchange differences on non-monetary items measured at fair value through profit or loss ("FVTPL") are reported as part of the fair value gain or loss in the profit and loss account in the period in which they arise. Exchange differences on non-monetary items measured at fair value through other comprehensive income ("FVTOCI") are reported as part of the fair value gain or loss in other comprehensive income in the period in which they arise.

Tax

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

Investments in subsidiaries

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

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

Members' remuneration

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.

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

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Dividends

Dividend income from investments is recognised when the partnership's rights to receive payment have been established, it is probable that the economic benefits associated with the dividend will flow to the partnership and the amount of the dividend can be measured reliably.

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

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised on the trade date when the partnership becomes party to the contractual provisions.

Financial assets are derecognised when the contractual rights to the cash flows expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial liabilities are derecognised when the obligation is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable), except for debtors that do not contain a significant financing component which are measured at transaction price.

Financial assets are classified and subsequently measured, based on business model and contractual cash flow characteristics, at: amortised cost; FVTPL; or FVTOCI.

In the periods presented, the partnership does not have any financial assets categorised as FVTOCI.

All income and expenses relating to financial assets that are recognised in the profit and loss account are presented within interest payable and similar charges, interest receivable and similar income or net gains or losses on derivative financial instruments, except for impairment of debtors which is presented within administrative expenses.

Foreign exchange gains or losses arising on financial assets at amortised cost are presented in the profit and loss account within administrative expenses and disclosed in note 4. For financial assets at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the profit and loss account within net gains or losses on derivative financial instruments.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost when their contractual cash flows are solely payments of principal and interest and they are held within a business model designed to hold the asset and collect its cash flows (and are not designated as FVTPL).

The partnership's cash and cash equivalents are measured at amortised cost using the effective interest method and income is recognised on this basis.

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Financial assets at fair value through profit or loss

Financial assets that are held other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The partnership has not designated any amortised cost or FVTOCI financial assets at FVTPL.

The partnership's financial assets measured at FVTPL comprise seed investments. Any gains or losses are recognised in the profit and loss account.

Impairment of financial assets

All debt-type financial assets not measured at FVTPL are assessed for impairment at each reporting date using a forward-looking approach by identifying expected credit losses ("ECLs").

For other financial assets, where credit risk has not increased significantly since initial recognition, twelve month ECLs are recognised. For those where credit risk has increased significantly, lifetime ECLs are recognised.

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

Classification and initial measurement of financial liabilities

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless designated at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

The partnership's financial liabilities at amortised cost are creditors. The partnership does not have any financial liabilities at FVTPL.

In the profit and loss account, interest-related charges are included within interest payable and similar charges.

Foreign exchange gains or losses arising on financial liabilities at amortised cost are presented in the profit and loss account within administrative expenses and disclosed in note 4.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the partnership's accounting policies, which are described above, the members 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 members do not consider that any critical accounting estimates or significant judgements have been made in the current period.

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4 Operating profit

Arrived at after crediting/(charging):

	2022 € 000	2021 € 000
Foreign exchange gains	-	53

5 Auditors' remuneration

	2022 € 000	2021 € 000
Audit of the financial statements	23	14

Auditors' remuneration has been borne by another group company in the current and prior year. There were no non-audit fees payable by the partnership to the auditor during 2022 (2021: €nil).

6 Interest payable and similar charges

	2022 € 000	2021 € 000
Other interest	1	1

7 Profit for the financial year available for discretionary division among members

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 between 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 year was two (2021: two).

The average profit per member was €96,309,000 (2021: €57,015,000).

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 year, was €192,485,000 (2021: €113,951,000).

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Investments in subsidiaries

Subsidiaries	€ 000
Cost	
At 1 January 2022	<u>2,569,447</u>
At 31 December 2022	<u><u>2,569,447</u></u>

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2022	2021
BlackRock UK 4 LLP*	To hold investments in group undertakings and seed investments	12 Throgmorton Avenue, London, EC2N 2DL United Kingdom	99.93%	99.93%
BlackRock Finco LLC	Financing and intermediary holding company	1209 Orange Street, Wilmington, Delaware, 19801 USA	100%	100%
BlackRock Jersey Finco 2 Limited	Financing company	11-15 Seaton Place, St Helier, Jersey, JE4 0QH Channel Islands	100%	100%

* indicates direct investment of BlackRock UK 3 LLP

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Interests in unconsolidated structured entities

The partnership manages investment funds which are considered to be structured entities within the definition of IFRS 12 'Disclosure of Interests in Other Entities'. Structured entities are not consolidated as the partnership does not have "control" as defined under IFRS 10 'Consolidated Financial Statements'. The partnership 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.

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 primarily from third-party 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 the partnership. The carrying values of the partnership's interests in unconsolidated structured entities funds as recognised in the partnership's balance sheet as at 31 December 2022 is €72k (2021: €140k). The fair value losses recognised in the partnership's profit and loss account for the year ended 31 December 2022 were €25k (2021: gains of €74k).

Maximum exposure to loss

The partnership's maximum exposure to loss associated with its interest in these unconsolidated structured entities is limited to the carrying amounts shown above.

At 31 December 2022, the partnership had €317,000 (2021: €317,000) of unfunded capital commitments to fund sponsored investment products including real assets funds. Generally, the timing of the funding of these commitments is unknown and the commitments are callable on demand at any time prior to the expiration of the commitment.

Financial support

The partnership 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 differences to the economic or voting rights attaching to the equity held by the partnership from those held by other investors. There are no liquidity arrangements, guarantees or other commitments that may affect the fair value or risk of the partnership's interest in the unconsolidated structured entities.

10 Current asset investments

	31 December 2022 € 000	31 December 2021 € 000
Financial assets designated at FVTPL	<u>72</u>	<u>140</u>

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Current asset investments (continued)

Financial assets designated at FVTPL relate to seed investments in sponsored investment products and alternative funds.

Any movements in the fair value of the current asset investments listed above have been included in the profit and loss account.

See note 9 for further details.

11 Creditors: Amounts falling due within one year

	31 December 2022 € 000	31 December 2021 € 000
Other creditors	-	4

12 Fair value measurement

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

Level 1 - fair value measurement derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measurement derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as price) or indirectly (i.e. derived from prices).

Level 3 - fair value measurement derived from unobservable inputs for the asset or liability.

Valuation methods and assumptions

Seed investments (listed)

The fair value of the partnership's seed investments is determined with reference to quoted prices in an active market for identical assets and these securities are therefore categorised as level 1 securities in the fair value hierarchy.

Seed investments (unlisted)

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.

See note 10 for seed investment values.

There were no changes to the valuation techniques during the year.

BlackRock UK 3 LLP

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Related party transactions

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

Details of members' remuneration are set out in note 7. There are no personnel other than members, who as key management exercise authority and responsibility for planning, directing and controlling the activities of the partnership.

14 Ultimate controlling party

The partnership's immediate holding company is BlackRock UK 2 LLP. 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 partnership and for which group accounts are prepared is BlackRock, Inc. Copies of the group financial statements are available upon request from the Investor Relations website at www.blackrock.com or requests may be addressed to Investor Relations at 50 Hudson Yards, New York, NY10001, USA or by email at invrel@blackrock.com.

15 Non adjusting events after the financial period

There are no subsequent events to report that occurred after the balance sheet date, but before the financial statements were authorised for issue.