Registered number: OC399377

BlackRock UK A LLP

Members' Annual Report and Financial Statements
for the Year Ended 31 December 2016

BlackRock UK A LLP
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BlackRock UK A LLP
Strategic Report for the Year Ended 31 December 2016

The members present their Strategic Report for BlackRock UK A LLP (the "partnership") for the year ended 31 December 2016.

The Partnership's role in the global group
The partnership is part of BlackRock, Inc. ("BlackRock"), a leading publicly traded investment management firm with $5.1tn in assets under management ("AUM"), as at 31 December 2016. With approximately 13,000 employees in more than 30 countries who serve clients in over 100 countries across the globe, BlackRock provides a broad range of investment and risk management services to institutional and retail clients worldwide.

There have not been any significant changes in the partnership's principal activities in the period under review and the management board proposes that the principal activities will continue during 2017.

Corporate strategy
Corporate strategy is developed and reviewed at a global and regional level. The partnership holds an investment in group undertakings and seed investments in sponsored investment products. The Strategic Report will therefore focus on both global and regional industry trends and areas of strategic focus, while relating them to the services that the partnership provides.

Industry profile
Global
BlackRock's highly diversified multi-product platform was created to meet the needs of its clients in all market environments. BlackRock is positioned to provide active and index investment solutions across asset classes and geographies and leverage *BlackRock Solutions'* ® ("BRS") world-class risk management, analytics and advisory capabilities on behalf of clients. BlackRock serves a diverse mix of institutional and retail clients across the globe, including investors in *iShares*® Exchange Traded Funds ("ETFs"), maintaining differentiated client relationships and a fiduciary focus.

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

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

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

Regional
On a regional basis, BlackRock in EMEA manages $1.5tn of AUM for its clients. This generates $3.1bn of revenue from a diversified client base and product range. Growth in the region has been powered by fixed income net inflows, reflecting strong flows into *iShares*® and liability-driven investment solutions.

In June 2016, the United Kingdom held a referendum in which voters approved an exit from the European Union ("EU"), commonly referred to as "Brexit", which resulted in significant volatility in several international markets. The timing and the outcome of the negotiations between the United Kingdom and the EU in connection with Brexit are highly uncertain and information regarding the long-term consequences of the vote is expected to become clearer over time. The partnership will continue to monitor the potential impact of Brexit on its results of operations and financial condition.

BlackRock UK A LLP
Strategic Report for the Year Ended 31 December 2016

Key Performance Indicators

Profit for the Year
The partnership made a profit for the year, which increased by €167.8m from €0.6m in 2015 to €168.4m in 2016, driven by the dividends received from investments in group companies during the year and net gains on seed investments and associated derivative financial instruments.

Net assets
Net assets of the partnership have increased from €3,290.7m in 2015 to €3,459.1m in 2016, primarily due to reduced intercompany creditor balances and increased cash offset by reduced current asset investments.

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

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

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

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

• balance sheet risk events, arising from credit risk losses on balance sheet assets or from a lack of liquidity causing the partnership to be unable to meet payment obligations; and
• market risk events, whereby the partnership fails to realise the full value of the firm's assets as a result of fluctuations in interest rates.

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 20/9/17 and signed on its behalf by:

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C Thomson
Member of Management Board

BlackRock UK A LLP
Members' Report for the Year Ended 31 December 2016

The Management Board (the "Board") present their annual report together with the audited financial statements of BlackRock UK A LLP (registered number: OC399377) for the year ended 31 December 2016.

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

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

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C Thomson
M Oh

Designated members
The designated members (as defined in the Limited Liability Partnerships Act 2000) who served on the board of members ("the Board") during the period were:

BlackRock Cayman Finco Limited ("Cayman Finco")
BlackRock Cayman Capital Holdings Limited ("Cap Holdings")

Members' drawings and capital
All members are equity members and share in the profits and subscribe to the capital of the partnership.

Each members' capital account has been credited to reflect the aggregate of the amount of each members' 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, which would render the partnership insolvent, or which would leave the partnership 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.

Statement of members' responsibilities
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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 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 partnership will continue in business.

BlackRock UK A LLP
Members' Report for the Year Ended 31 December 2016

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 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.

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.

Reappointment of auditors
The auditors Deloitte LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006 as applied to limited liability partnerships.

Approved by the members on 20/9/17 and signed on their behalf by:

C Thomson
Member of the Management Board

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

We have audited the financial statements of Blackrock UK A LLP for the year ended 31 December 2016, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Members' Interests and the related notes on pages 10 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 statement of members' responsibilities (set out on page 3), 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 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Independent Auditor's Report to the Members of BlackRock UK A 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 as applied to limited liability partnerships 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

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

26 September 2017.

BlackRock UK A LLP
Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 €000	15 April 2015 to 31 December 2015 €000
Net gains on financial instruments held at fair value through profit or loss		4,632	2,561
Net losses on derivative financial instruments		(2,049)	(1,792)
Administrative expenses		(1)	-
Operating profit		2,582	769
Dividends received from investments in group companies		166,426	-
Interest receivable and similar income	5	-	49
Interest payable and similar charges	6	(586)	(242)
Profit for the financial year available for discretionary division among members	7	168,422	576

Profit for the year derives wholly from the partnership's continuing operations.

The partnership has no other comprehensive income for the current or prior year.

The notes on pages 10 to 22 form an integral part of these financial statements.

BlackRock UK A LLP
Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Fixed assets			
Investments in subsidiaries	8	3,257,797	3,257,797
Current assets			
Investments	10	140,828	167,282
Cash at bank		79,399	45,430
Debtors	11	1,293	1,929
Derivative financial instruments	13	68	429
		221,588	215,070
Creditors: amounts falling due within one year	12	(20,304)	(182,208)
Net current assets		201,284	32,862
Total assets less current liabilities		3,459,081	3,290,659
Net assets attributable to members		3,459,081	3,290,659
Represented by:			
Members' capital classified as equity		3,459,081	3,290,659

The notes on pages 10 to 22 form an integral part of these financial statements.

The financial statements of BlackRock UK A LLP (registered number OC399377) on pages 7 to 9, and accompanying notes, were approved by the members and authorised for issue on 20/9/17. They were signed on the members' behalf by:

C Thomson

Member of the Management Board

BlackRock UK A LLP
Statement of Changes in Members' Interests for the Year Ended 31 December 2016

	Members' capital	Income account	Total
	€000	€000	€000
Members' interests at 1 January 2016	3,290,083	576	3,290,659
Profit for the financial year	-	168,422	168,422
Members' interests at 31 December 2016	3,290,083	168,998	3,459,081

	Members' capital	Income account	Total
	€000	€000	€000
BlackRock Cayman Capital Holdings Limited	3,287,776	168,880	3,456,656
BlackRock Cayman Finco Limited	2,307	118	2,425
Members' interests at 31 December 2016	3,290,083	168,998	3,459,081

	Members' capital	Income account	Total
	€000	€000	€000
Members' interests at 15 April 2015	3,290,083	-	3,290,083
Profit for the financial period	-	576	576
Members' interests at 31 December 2015	3,290,083	576	3,290,659

	Members' capital	Income account	Total
	€000	€000	€000
BlackRock Cayman Capital Holdings Limited	3,287,776	576	3,288,353
BlackRock Cayman Finco Limited	2,307	-	2,307
Members' interests at 31 December 2015	3,290,083	576	3,290,659

The notes on pages 10 to 22 form an integral part of these financial statements.

BlackRock UK A LLP
Notes to the Financial Statements for the Year ended 31 December 2016

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

The financial statements were authorised for issue by the members on 20/9/ 2017.

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 Application of Financial Reporting Requirements 100 ("FRS 100") as issued by the Financial Reporting Council ("FRC"). Accordingly, in the year ended 31 December 2016 the partnership has applied Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") issued by the FRC incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

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

Summary of disclosure exemptions
As permitted by FRS 101, the 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 issued but 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 17.

Exemption from preparing group accounts
The financial statements contain information about BlackRock UK A 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.

2. Accounting policies (continued)

Going concern
The partnership's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 and 2, along with key risks facing the partnership.

In assessing the partnership's going concern status, the members have taken into account the above factors, including the financial position of the partnership and in particular the significant net-cash position. The partnership has, at the date of this report, sufficient existing finances available for its estimated requirements for the next twelve months. This, together with its proven ability to generate cash from operations, provides the members with the confidence that the partnership is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and 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. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

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

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.

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

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

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

2. Accounting policies (continued)

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

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

Other investments
Other investments comprises financial assets acquired for business operations. These financial assets are classified on initial recognition and subsequently measured in accordance with IAS39.

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 liabilities
Classification
The partnership's financial assets are classified into financial assets at 'fair value through profit and loss' ("FVTPL") and 'loans and receivables'.

The partnership's financial liabilities are classified as either 'FVTPL' or 'other financial liabilities'.

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

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

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

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 FVTPL are recognised immediately in the profit or loss.

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

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

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 is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading 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 IAS 39 'Financial Instruments: Recognition and Measurement permits 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 and is included in the 'net (losses)/gains on financial instruments held at fair value though profit or loss' line item within the profit and loss. Fair value is determined in the manner described in note 14.

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.

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

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payment; or
- it becomes probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of financial assets is reduced by the impairment loss.

2. Accounting policies (continued)

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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading 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 liability 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 company'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 IAS 39 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'net (losses)/gains on financial instruments held at fair value through profit or loss'. Fair value is determined in the manner described in note 14.

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

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

2. Accounting policies (continued)

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 assets and 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 financial assets and financial liabilities derived from valuation techniques that are not based on observable market date (unobservable market inputs) ("level three").

Derivatives and hedging
The partnership participates in the BlackRock, Inc. 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. It is not the partnership's policy to trade in derivative instruments. The partnership does not designate its derivative instrument as a formal hedging instrument and hedge accounting is not applied.

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the partnership's accounting policies, which are described in note 2, 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 following are the critical judgements that the members have made.

Disclosure of interests in other entities
Management's judgement has been exercised when applying the principles of IFRS 12 Disclosure of Interests in Other Entities to the disclosure of interests in other entities.

Full details are set out in note 9.

4. Auditor's remuneration

	2016 €000	15 April 2015 to 31 December 2015 €000
Audit of the financial statements	18	21

Auditor's remuneration has been borne by another group company in the current year.
There were no non-audit fees payable by the partnership to the auditor during 2016 (2015: €nil).

5. Interest receivable and similar income

	2016 €000	15 April 2015 to 31 December 2015 €000
Other interest receivable	-	49

6. Interest payable and similar charges

	2016 €000	15 April 2015 to 31 December 2015 €000
Interest payable to group companies	401	242
Other interest	185	-
	586	242

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 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 year was two (2015: two).

The average profit per member was €84,211,000 (2015: €288,000).

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 €168,304,000 (2015: €576,000).

8. Fixed asset investments

	Subsidiary undertakings €000
Cost	
At 1 January & 31 December 2016	3,257,797

The following are investments in subsidiary undertakings:

Undertaking	Country of Incorporation	% Holding	Principal activity
BlackRock UK 2 LLP*	United Kingdom	99.93% of members' capital	To hold investments in group undertakings and seed investments
BlackRock UK 3 LLP	United Kingdom	99.93% of members' capital	To hold investments in group undertakings and seed investments
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 partnership

9. Interest in unconsolidated structured entities

The partnership 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. 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. 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 the partnership's percentage holding. The table below also summarises the carrying values of the partnership's interests in unconsolidated structured entities funds as recognised in the balance sheet as at 31 December 2015 and 31 December 2016, alongside the fair value gains and losses recognised in the partnership's income statement for the year ended 31 December 2015 and 31 December 2016.

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 the partnership.

The following table summarises the partnership's maximum exposure to loss by activity from its interests in unconsolidated structured entities as at 31 December 2016.

	AUM 31 Dec 2016 €'000	Ownership 31 Dec 2016 %	Investments at FVTPL 31 Dec 2016 €'000	Fair value gains/(losses) through P&L 31 Dec 2016 €'000
Alternative mandates	730,397	>0 – 90.6%	46,083	(85)
Equity mandates	552,534	>0 – 99.8%	10,433	(139)
Fixed income mandates	473,136	>0 – 100%	59,423	1,823
Multi-asset class mandates	52,908	>0 – 65.1%	23,895	3,038
Liquidity mandates	17,537	5.7%	994	(5)
Total	**1,826,512**		**140,828**	**4,632**

The following table summarises the partnership's maximum exposure to loss by activity from its interests in unconsolidated structured entities as at 31 December 2015.

	AUM 31 Dec 2015 €'000	Ownership 31 Dec 2015 %	Investments at FVTPL 31 Dec 2015 €'000	Fair value gains/(losses) through P&L 31 Dec 2015 €'000
Alternative mandates	61,328	67.2%	44,111	(220)
Equity mandates	11,091	76.9%	9,276	481
Fixed income mandates	102,533	15 - 65%	57,019	72
Multi-asset class mandates	18,173	40 – 86%	56,876	2,228
Total	**193,125**		**167,282**	**2,561**

9. Interest in unconsolidated structured entities (continued)

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 amount shown in the table above.

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

	2016 €000	2015 €000
Financial assets designated at FVTPL:		
Listed investments	94,745	123,171
Unlisted investments	46,083	44,111
	140,828	167,282

Listed investments relate to seed investments in sponsored investment products.

Unlisted investments relate to seed investments in sponsored alternative investment funds.

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

11. Debtors

	2016 €000	2015 €000
Other debtors	1,293	1,929

12. Creditors: Amounts falling due within one year

	2016 €000	2015 €000
Amounts due to group companies - loan notes	20,000	180,206
Amounts due to group companies	13	239
Other creditors	291	1,763
	20,304	182,208

Loan notes:

Group company	Description	Interest	Maturity	2016 €000	2015 €000
BlackRock Financial Management Inc	Tranche 1	0.48%	30 April 2016	-	44,206
BlackRock Financial Management Inc	Tranche 2	0.31%	24 September 2016	-	110,000
BlackRock Financial Management Inc	Tranche 3	0.25%	22 June 2017	20,000	-
BlackRock UK 3 LLP	Loan 1	0.21%	15 December 2016	-	26,000
				20,000	180,206

Amounts due to group companies are unsecured.

13. Derivative financial instruments

	2016 €000	2015 €000
Derivatives carried at fair value:		
Assets:		
Total return swap	68	429

At 31 December 2016 the partnership had two (2015: five) outstanding total return swaps with one (2015: one) counterparty with an aggregate notional value of €21,050,000 (2015: €43,900,000).

14. Financial instruments

Financial assets

Financial assets at fair value through profit or loss

Derivative held for trade

	2016 €000	2015 €000
Derivative financial asset	68	429

Valuation methods and assumptions
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.

Non-derivative designated at FVTPL

	2016 €000	2015 €000
Seed investments held	140,828	167,282

Valuation methods and assumptions
Seed investments (listed)
The fair value of seed investments are determined with reference to quoted market prices.

Seed investments (unlisted)
As the investments in the financial assets are not traded in active markets, the fair value is determined using valuation techniques (see note 2). The partnership uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

Loans and receivables

	2016 €000	2015 €000
Cash at bank and in hand	79,399	45,430
Trade and other debtors	1,293	1,929
	80,692	47,359

14. Financial instruments (continued)

Financial liabilities

Other financial liabilities

	2016 €000	2015 €000
Trade and other creditors	20,304	182,208

15. Subsequent events

In March 2017, the partnership received a distribution of €30,552,000 from BlackRock UK 2 LLP and paid a distribution of €30,530,000 and €21,000 to BlackRock Cayman Capital Holdings Limited and BlackRock Cayman Finco Limited respectively. In June 2017, the partnership settled Tranche 3 of the loan from BlackRock Financial Management Inc. and the related interest payable accrued up to the date of repayment. Refer to note 12 above for details of this loan.

16. Related party transactions

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

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.

17. Ultimate controlling party

The partnership's 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 from the Investor Relations website at www.blackrock.com or requests may be addressed to Investor Relations at 55 East 52nd Street, New York, NY 10055, USA or by email at invrel@blackrock.com.