Registration number: OC399377

BlackRock UK A LLP

Annual Report and Financial Statements

for the Year Ended 31 December 2021

BlackRock UK A LLP

Contents

BlackRock UK A LLP

Strategic Report for the Year Ended 31 December 2021

The designated members ("the members") present their Strategic Report for BlackRock UK A LLP ("the partnership") for the year ended 31 December 2021.

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 2022.

Corporate strategy
The partnership is part of BlackRock, Inc. ("BlackRock"), a leading publicly traded investment management firm with $10.01tn in assets under management ("AUM") as at 31 December 2021. With approximately 18,400 employees in more than 30 countries who serve clients in over 100 countries, BlackRock provides a broad range of investment and technology services to institutional and retail clients worldwide.

Corporate strategy is developed and reviewed at a global and regional level. This Strategic Report will therefore focus on both global and regional industry trends and areas of strategic focus, while relating them to the services that the partnership provides.

Purpose
BlackRock's purpose is to help more and more people experience financial well-being. BlackRock's clients, and the people they serve, are saving for retirement, paying for their children's educations, buying homes and starting businesses. Their investments are also helping to strengthen the global economy: support businesses small and large; finance infrastructure projects that connect and power cities; and facilitate innovations that drive progress. BlackRock is committed to advancing:

- *Financial wellbeing*: helping millions of people invest to build savings that serve them throughout their lives;
- *Investment access*: making investing easier and more affordable;
- *Sustainable outcomes*: advancing sustainable investing because the group believes it delivers better outcomes for investors; and
- *Inclusive economies*: contributing to a more resilient economy that benefits more people.

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

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

Across BlackRock, more clients are focusing on the impact of sustainability on their portfolios. This shift has been driven by an increased understanding of how sustainability-related factors can affect economic growth, asset values, and financial markets as a whole. As a fiduciary, BlackRock is committed to helping clients build more resilient portfolios. Since sustainable investment options have the potential to offer clients better outcomes, BlackRock is making sustainability integral to the way in which it manages risk, constructs portfolios, designs products, and engages with companies. Over the past several years, BlackRock has been deepening the integration of sustainability into technology, risk management, and product choice and plans to accelerate those efforts.

Regional

BlackRock in EMEA managed $2.65tn of AUM for its clients as at 31 December 2021. This generated $6.4bn of revenue from a diversified client base and product range, with EMEA representing nearly a third of BlackRock's management fees and securities lending revenue in 2021. Growth in the region in 2021 was driven by broad-based strength across fixed income, multi-asset, equity and alternatives, partially offset by cash net outflows.

Areas of strategic focus

Against the industry profile and key industry trends the partnership, as part of the global group, seeks to deliver value for shareholders over time by, among other things, capitalising on BlackRock's differentiated competitive positioning, including:

- BlackRock's focus on strong performance providing alpha for active products and limited or no tracking error for index products;
- BlackRock's breadth of investment strategies, including market-cap weighted index, factors, systematic active, traditional fundamental active, high conviction alpha and illiquid alternative product offerings, which enhance its ability to tailor single and multi-asset investment solutions to address specific client needs;
- BlackRock's differentiated client relationships and fiduciary focus, which enable effective positioning toward changing client needs and macro trends including the long-term shift to index investing and ETFs, growing allocations to private markets, demand for high-performing active strategies, increasing demand for sustainable investment strategies and whole portfolio solutions using index, active and illiquid alternatives products; and a focus on income and retirement, and
- BlackRock's longstanding commitment to innovation, technology services and the continued development of, and increased interest in, BlackRock technology products and solutions, including *Aladdin*, Aladdin Wealth, *eFront*, Aladdin Climate and Cachematrix. This commitment is further extended by minority investments in distribution technologies, data and whole portfolio capabilities including Envestnet, Scalable Capital, iCapital, Acorns and Clarity AI.

Business review

The nature of the partnership's business has not changed significantly during 2021.

Key performance indicators

Profit for the Year
The profit of the partnership decreased by €69.9m from €247.3m in 2020 to €177.4m in 2021. This was primarily driven by a decrease in dividends received from investments in group companies in 2021.

Net assets
Net assets of the partnership have decreased from €3,573.5m in 2020 to €3,439.1m in 2021, primarily due to movement in investments and higher dividends paid during the year.

Principal risks and uncertainties
The Board is responsible for the partnership's system of risk management and internal control and for reviewing its effectiveness.

The Board has considered a number of potential risks and uncertainties affecting the partnership's business as a holding company and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Board on an ongoing basis.

This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the partnership's strategic objectives. Both the principal risks and the monitoring system are also subject to robust assessment at least annually.

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

Market risk
Risk description: market risk represents the risk that a significant market downturn will impact the value of the partnership's balance sheet holdings. Movements in foreign exchange ("FX") rates cause the value of the partnership's balance sheet holdings to fluctuate, creating volatility in net income, and/or operating cash flow.

Risk mitigation: market risk's impact on the balance sheet is regularly monitored by the Treasury and Finance teams to reflect any changes in the balance sheet positions, composition and hedging of FX exposures or investments. The partnership participates in BlackRock's Seed Capital Hedge Programme 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.

Credit risk
Risk description: credit risk is the risk that a counterparty to the partnership defaults or deteriorates in creditworthiness before the final settlement of a corporate transaction or other credit obligation. Credit risk exposure may also occur through the normal course of business from the investment of corporate cash.

Risk mitigation: intercompany balances are managed centrally and are settled on a regular basis. The Treasury and Risk and Quantitative Analysis departments continuously monitor the creditworthiness of J.P Morgan and Bank of New York, the partnership's main corporate banks.

Corporate liquidity risk

Risk description: corporate liquidity risk is the risk that the partnership is not able to meet its financial obligations as they come due without adversely impacting its financial position, its ability to operate its normal course of its business, or its reputation.

Risk mitigation: BlackRock has a liquidity governance framework and policy that are designed to: identify, quantify, forecast and monitor BlackRock's liquidity needs, risks and requirements; maintain liquidity resources in excess of requirements; and maintain an appropriate governance and controls framework for the usage and allocation of corporate liquidity.

Non-financial (operational) risks

Risk description: non-financial risks are operational risks that arise from events or actions, other than financial transactions, that can negatively impact the operations, assets or reputation of the partnership. These risks may, but do not always have, an adverse financial impact, and are often the result of inadequate internal processes, controls, people or systems, or external events. Key operational risks facing the partnership include:

- *Operational (process) risk*: risk of financial loss or reputational impact resulting from inadequate or failed internal processes and controls, human error, or systems, which may occur within BlackRock's internal operations.
- *Compliance risk*: risk that the partnership's activities or operations are not conducted in compliance with applicable laws, including those laws which impose fiduciary obligations or that conflicts of interest are not appropriately mitigated.
- *Information security risk*: risk arising from the inability to meet confidentiality, integrity, or availability requirements of partnership information. Information security risk can also be described as failure to protect the partnership against internal or external security threats, including accidents or malicious attacks by personnel, attacks by outsiders, and breaches at third parties, among others. Information security incidents may lead to material financial loss, loss of competitive position, reputational harm, or legal liability.
- *Financial crime risk*: risk arising from the failure to prevent external or internal parties from gaining access to, or utilising, company assets for criminal purposes which include money laundering, breaches of economic sanctions, fraud, bribery and corruption.
- *Financial reporting risk*: risk resulting from ineffective internal controls over financial reporting or failure to prepare and/or disclose accurate information in financial statements, which could have an adverse impact on the partnership's reputation and lead to the restatement of accounts, increased regulatory scrutiny, or fines.

Risk mitigation: the partnership benefits from BlackRock's well-established operational risk management framework that provides appropriate control and oversight over risk management arrangements. BlackRock has adopted a risk management framework based on a three lines of defence model comprised of the following four elements:

- Risk governance, including setting risk tolerances, establishing policies and procedures, establishing regional and global risk committees and overseeing the risk management framework.
- Risk identification and assessment, including identifying key risks and emerging risks, identifying business unit risk through tools such as risk and control self-assessments and regular meetings with business units, reviewing new products and major changes and reviewing internal and external operating events.
- Risk monitoring and measurement, quantifying and forecasting risks and monitoring against risk tolerances. This includes monitoring and investigating operating events, and recording them in a database of operating events, establishing and monitoring key risk indicators in the context of BlackRock's risk tolerance.
- Risk reporting, providing information and reports to functional and regional business management, boards, committees and regulators. This includes risk profile reporting and operating event and large operating event reporting.

Reputational risk
Risk description: reputational risk is the risk arising from an adverse perception on the part of existing and potential stakeholders, overseers and business partners that could negatively impact earnings and brand value.

Risk mitigation: BlackRock's reputation is one of its most important assets and BlackRock expects all of its employees to act with the highest level of integrity with clients and in markets. As a client-focused business, BlackRock considers reputational risk to be a fundamental aspect of all business and risk management activities. Reputational risk exposure is an integral part of BlackRock's Enterprise Risk Management Framework and a key focus for internal control processes around strategic decisions, operational processes, corporate governance, responsibility and communications and external relationships.

Strategy/Business risk
Risk description: strategy/business risk arises from adverse business decisions or improper implementation of those decisions that could negatively impact earnings and brand value. This includes adverse impact from factors such as competition, structural industry changes, asset class shifts, geopolitical instability, macro-economic conditions, falling behind industry changes or relationships with other entities. This risk is a function of the alignment between strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation.

- *Climate risk*: a growing awareness of the ongoing and potential future impact of climate change is shifting the views and expectations of BlackRock's key stakeholders including clients, regulators, shareholders, employees and the broader public as well as the way BlackRock thinks about climate risks as an investment risk. Climate change poses risks and opportunities that may impact the companies in which BlackRock invests on behalf of its clients. The risk arises both in terms of the physical risk associated with rising global temperatures, and also transition risk, namely, how the global transition to a low-carbon economy could affect a company's long-term profitability. The investment risks presented by climate change are set to accelerate a significant reallocation of capital, which will in turn have an impact on the pricing of risk and assets around the world.

Risk mitigation: BlackRock mitigates strategy / business risk by making extensive efforts to respond to industry uncertainties and business opportunities. BlackRock also anticipates business environment changes and then implements the necessary changes to generate better outcomes for BlackRock.

In relation to risks posed by climate change, BlackRock has committed to put sustainability at the centre of risk management, portfolio construction, product design and partnership engagement. The commitment has been widely communicated to stakeholders, including a letter to shareholders during January 2022, which can be accessed at the following link:

https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter.

Conduct risk
Risk description: conduct risk is the risk arising from inappropriate behaviour by the partnership which leads to detriment to the partnership or has a negative impact on market integrity.

Risk mitigation: conduct risk is present in all of the partnership's activities and responsibility for managing conduct risk is embedded throughout BlackRock's organisational and governance arrangements.

Group risk

Risk description: group risk is the risk that the financial position of the partnership may be adversely impacted by its relationships with other entities in the BlackRock group or by risks that may affect the financial position of the whole group. As a member of the BlackRock group, the partnership faces the risk that decisions made by, or circumstances impacting, BlackRock group entities may either directly impact the partnership or may 'spill-over' and have an impact on the partnership. These could include, but are not limited to, strategic mergers or acquisitions, divestiture decisions, severe financial distress, reputational damage or decisions regarding the ability or willingness to provide services to the partnership.

Risk mitigation: group risk is mitigated by the partnership's senior management and control functions being represented in the group's global decision-making bodies, and by the partnership having documented contractual arrangements for services with other group companies.

Emerging risks and uncertainties (not considered "principal")

Emerging risks which have the potential to impact BlackRock's ability to meet its strategic objectives are also monitored.

BlackRock has determined that these emerging risks and uncertainties are not currently material, and therefore are not cited as principal risks. Emerging risks are included to enable users to understand how such have been considered.

Geopolitical instability

Russia's incursion into Ukraine prompted a range of sanctions, regulations and other regulatory measures that have, among other things, impaired normal trading in Russian securities. BlackRock maintains controls, processes and policies designed to adhere to relevant sanctions laws and regulations of jurisdictions in which BlackRock operates and invests on behalf of its clients. BlackRock will continue to monitor developments associated with the conflict and will take necessary actions to address or prepare for those developments. Actions that impact index designs will be assessed and BlackRock's actions will be taken with the goals of minimising impact to clients and investors and avoiding, to the extent possible, any significant market disruptions.s.

Companies Act s172 Statement

The Board of the partnership must act in a way that they consider, in good faith, would be most likely to promote the success of the partnership for the benefit of its members as a whole. In doing so, they should have regard to other factors, including those set out in section 172(1) of the Companies Act 2006. As the partnership is a wholly-owned, seeding subsidiary within the BlackRock group, its parent companies and other members of the BlackRock group are key stakeholders of the partnership. The key board activities during the year which were influenced by consideration of the partnership's stakeholders and the factors set out in S172(1) included:

- approving quarterly cash repatriation transactions, including the payment of interim dividends to BlackRock Cayman Capital Holdings Limited and BlackRock Cayman Finco Limited;
- approving its annual financial statements, including carefully considering its going concern status and reviewing key accounting judgements and estimates as detailed in note 3 to the financial statements.

The partnership, as a subsidiary of BlackRock, adheres to the group's code of ethics which can be found here: https://s24.q4cdn.com/856567660/files/doc_downloads/governance_documents/2021/12/Code-of-Business-Conduct-and-Ethics-Dec-2021-v5.5.pdf

The partnership, as a subsidiary of BlackRock, has communicated its sustainability commitments to all stakeholders in a letter to shareholders of BlackRock, Inc., which can be accessed at the following link: https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter.

The partnership does not have any employees. The BlackRock group's employee policies, more broadly, can be found here: https://www.blackrock.com/corporate/responsibility/human-capital.

To ensure an efficient and effective approach, certain stakeholder engagement is led at the BlackRock group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the BlackRock group. As the partnership is part of a wider group, the duties of the Board of the partnership are exercised in a way that is most likely to promote the success of the partnership for the BlackRock group as a whole, while having regard to factors outlined in section 172(1) Companies Act 2006.

Approved by the Board on 31 August 2022 and signed on its behalf by:

....
D Beattie
Member of the Management Board

BlackRock UK A LLP

Members' Report for the Year Ended 31 December 2021

The members present their report together with the audited financial statements of BlackRock UK A LLP (registered number: OC399377) for the year ended 31 December 2021.

The members have chosen, in accordance with section 414C (11) of the Companies Act 2006, to include certain additional matters in the Strategic Report that would otherwise be required to be disclosed in the Members' Report.

There have not been any significant changes in the partnership's principal activities in the period under review and the Board propose that the principal activities will continue during 2022.

Dividends
Dividends of €311.8m were paid in the year ended 31 December 2021 (2020: €145.5m).

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

D Beattie (appointed 26 January 2021)

P Matsumoto

A Peters

C Thomson (resigned 26 January 2021)

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 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 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, 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 acknowledge their responsibilities 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 FRS 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:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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. After making enquiries and considerations explained in note 2, the members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the forseeable 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 31 August 2022 and signed on their behalf by:

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D Beattie

Member of the Management Board

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BlackRock UK A 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 2021 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 17.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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, internal audit and those charged with governance about their own identification and assessment of the risks of irregularities.

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. These 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.

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, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating 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, internal audit 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, compliance reports, and reviewing internal audit reports.

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, 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.

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.

Patrick Werner

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

Edinburgh
United Kingdom

31 August 2022

BlackRock UK A LLP

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 € 000	2020 € 000
Net gains on financial instruments held at fair value through profit and loss		45,345	13,324
Net losses on derivative financial instruments		(17,280)	(1,463)
Administrative (expenses)/income		(3)	3
Operating profit	4	28,062	11,864
Dividends received		149,836	235,695
Interest payable and similar charges	6	(499)	(250)
Profit before tax		177,399	247,309
Tax on profit		-	-
Profit for the year available for discretionary division among members		177,399	247,309

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 A LLP

(Registration number: OC399377)
Balance Sheet as at 31 December 2021

	Note	31 December 2021 € 000	31 December 2020 € 000
Fixed assets			
Investments in subsidiaries	7	3,047,356	3,047,356
Current assets			
Investments	10	377,879	445,747
Debtors	11	6,407	4,324
Cash and cash equivalents		11,151	80,373
		395,437	530,444
Creditors: Amounts falling due within one year	12	-	(111)
Derivative financial instruments - liabilities	13	(3,724)	(4,183)
Net current assets		391,713	526,150
Net assets attributable to members		3,439,069	3,573,506
Represented by:			
Members' capital classified as equity		3,439,069	3,573,506

The financial statements of BlackRock UK A LLP (registered number OC399377) on pages 13 to 15, and accompanying notes, were approved by the members and authorised for issue on 31 August 2022. They were signed on the members' behalf by:

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D Beattie
Member of the Management Board

BlackRock UK A LLP

Statement of Changes in Members' Interests for the Year Ended 31 December 2021

	Members' capital € 000	Income account € 000	Total € 000
Members' interests at 1 January 2021	3,290,083	283,423	3,573,506
Profit for the year	-	177,399	177,399
Dividends	-	(311,836)	(311,836)
Members' interests at 31 December 2021	3,290,083	148,986	3,439,069

	Members' capital € 000	Income account € 000	Total € 000
BlackRock Cayman Capital Holdings Limited	3,287,776	148,882	3,436,658
BlackRock Cayman Finco Limited	2,307	104	2,411
Members' interests at 31 December 2021	3,290,083	148,986	3,439,069

	Members' capital € 000	Income account € 000	Total € 000
Members' interests at 1 January 2020	3,290,083	181,568	3,471,651
Profit for the year	-	247,309	247,309
Dividends	-	(145,454)	(145,454)
Members' interests at 31 December 2020	3,290,083	283,423	3,573,506

	Members' capital € 000	Income account € 000	Total € 000
BlackRock Cayman Capital Holdings Limited	3,287,776	283,225	3,571,001
BlackRock Cayman Finco Limited	2,307	198	2,505
Members' interests at 31 December 2020	3,290,083	283,423	3,573,506

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 31 August 2022.

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 FRS 100 'Application of Financial Reporting Requirements' ("FRS 100") as issued by the FRC. Accordingly, in the year ended 31 December 2021 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 16.

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.

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 to 7 along with principal risks and uncertainties.

In assessing the 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 12 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.

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 in preparing the annual report and financial statements.

Changes in accounting policy
New standards, interpretations and amendments adopted
None of the standards, interpretations and amendments effective for the first time from 1 January 2021 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.

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

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

2 Accounting policies (continued)

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.

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 administration 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.

2 Accounting policies (continued)

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 and debtors are measured at amortised cost using the effective interest method and income is recognised on this basis.

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, which are not measured at FVTPL, are assessed for impairment at each reporting date using a forward-looking approach by identifying expected credit losses ("ECLs").

Impairment provisions for debtors are recognised based on the simplified approach using the lifetime ECLs and the single loss-rate approach.

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 except for held for trading liabilities (including derivatives) and financial liabilities designated at FVTPL, which are at fair value with gains or losses recognised in the profit and loss account.

The partnership's financial liabilities at amortised cost are creditors. The partnership's financial liabilities at FVTPL are derivative financial instruments. The partnership has not designated any financial liabilities at FVTPL.

In the profit and loss account, interest-related charges are included within interest payable and similar charges and changes in fair value are included within net gains or losses on derivative financial instruments.

2 Accounting policies (continued)

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. For financial liabilities 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.

Derivative financial instruments

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 instruments as formal hedging instruments and hedge accounting is not applied.

Derivative financial instruments are recognised in the balance sheet 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 the profit and loss account immediately. Fair values are derived from prevailing market prices, discounted cash flow models or option pricing models as appropriate.

A derivative with a positive fair value (unrealised gain) is recognised as a financial asset whereas a derivative with a negative fair value (unrealised loss) 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 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.

4 Operating profit

Arrived at after (charging)/crediting:

	2021 € 000	2020 € 000
Foreign exchange (losses)/gains	(1)	5

5 Auditors' remuneration

	2021 € 000	2020 € 000
Audit of the financial statements	14	20

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 2021 (2020: €nil).

6 Interest payable and similar charges

	2021 € 000	2020 € 000
Other interest	499	250

7 Investments

Subsidiaries	**€ 000**
Cost	
At 1 January 2021	3,047,356
At 31 December 2021	3,047,356

Details of the subsidiaries as at 31 December 2021 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2021	2020
BlackRock UK 2 LLP*	To hold investments in group undertakings and seed investments	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	99.93%	99.93%
BlackRock UK 3 LLP	To hold investments in group undertakings and seed investments	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	99.93%	99.93%
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	Suite 130, Liberation Station, Jersey, JE1 0BR, Channel Islands	100%	100%

* indicates direct investment of BlackRock UK A LLP

8 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 (2020: two).

The average profit per member was €88,700,000 (2020: €123,655,000).

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 €177,275,000 (2020: €247,136,000).

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 2021 are €377.9m (2020: €445.7m). The fair value gains recognised in the partnership's profit and loss account for the year ended 31 December 2021 were €45.3m (2020: €13.3m).

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 2021, the partnership had €148,112,000 of unfunded capital commitments to fund sponsored investment products including private equities, opportunistic funds, fixed income funds and 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.

9 Interests in unconsolidated structured entities (continued)

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 2021 € 000	31 December 2020 € 000
Financial assets designated at FVTPL	377,879	445,747

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 Debtors

	31 December 2021 € 000	31 December 2020 € 000
Amounts due from group companies	78	66
Other debtors	6,329	4,258
	6,407	4,324

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

12 Creditors: Amounts falling due within one year

	31 December 2021 € 000	31 December 2020 € 000
Other creditors	-	111

13 Derivatives

	31 December 2021 € 000	31 December 2020 € 000
Derivatives carried at fair value:		
Liabilities:		
Total return swaps	3,724	4,183

At 31 December 2021 the partnership had seven (2020: seven) outstanding total return swaps with three (2020: two) counterparties with an aggregate notional value of €105,226,000 (2020: €57,692,000).

14 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.

Derivative financial instruments
The fair values of derivative instruments are calculated using quoted prices and are therefore categorised as level 1 in the fair value hierarchy. 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.

See note 13 for derivative financial instrument values.

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

15 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 8. 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.

16 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. 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 55 East 52nd Street, New York, NY10055, USA or by email at invrel@blackrock.com.

17 Non adjusting events after the financial period

In March 2022, the partnership paid a dividend of €72,901,000 to Cap Holdings and Cayman Finco in line with their proportional share of ownership.

In March 2022, the partnership received a dividend of €69,901,000 from BlackRock UK 2 LLP.