

Registration number: 00951043

# BlackRock Group Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



# **BlackRock Group Limited**

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# BlackRock Group Limited

## Strategic Report for the Year Ended 31 December 2022

The Board of directors ("the Board") presents its Strategic Report for BlackRock Group Limited ("the Company") for the year ended 31 December 2022.

The Company is part of BlackRock, Inc. ("BlackRock" or "the Firm"), a leading publicly traded investment management firm with \$8.6tn (2021: \$10.0tn) of assets under management ("AUM") as at 31 December 2022. With approximately 19,800 employees in more than 30 countries who serve clients in over 100 countries, BlackRock provides a broad range of investment management and technology services to institutional and retail clients worldwide.

### 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.

### Corporate strategy

Corporate strategy is developed and reviewed at a global and regional level. Consequently, this Strategic Report will focus on both global and regional areas of strategic focus, while relating them to the services that the Group provides.

### Industry profile

#### Global

BlackRock's diverse platform of alpha-seeking active, index and cash management investment strategies across asset classes enables the Firm to offer choice and 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-end and closed-end mutual funds, *iShares*® and BlackRock exchange-traded funds ("ETFs"), separate accounts, collective trust funds and other pooled investment vehicles. BlackRock also offers technology services, including the investment and risk management technology platform, Aladdin®, Aladdin Wealth, *eFront*®, and Cachematrix, 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. We do not engage in proprietary trading activities that could conflict with the interests of our clients.

BlackRock serves a diverse mix of institutional and retail clients across the globe, including investors in ETFs, maintaining differentiated client relationships and a fiduciary focus. The Firm's highly diversified multi-product platform was created to meet client needs in all market environments and provide clients with choice in how they seek to achieve their unique financial goals. BlackRock is positioned to provide alpha-seeking active, index and cash management investment strategies across asset classes and geographies. In addition, BlackRock leverages its world-class risk management, analytics and technology capabilities, including the *Aladdin* platform, on behalf of clients. The diversity of BlackRock's platform facilitates the generation of organic growth in various market environments, and as client preferences evolve. BlackRock's long-term strategy remains to keep alpha at the heart of BlackRock; accelerate growth in ETFs, illiquid alternatives, and technology; deliver whole portfolio solutions and become the global leader in sustainable investing.

## **BlackRock Group Limited**

### **Strategic Report for the Year Ended 31 December 2022 (continued)**

As the asset management landscape shifts globally from individual product selection to a whole-portfolio approach, BlackRock's strategy is focused on creating outcome-oriented client solutions for both retail investors and institutions. This includes having a diverse platform of alpha-seeking active, index and alternative products, as well as enhanced distribution and portfolio construction technology offerings. Digital wealth tools are an important component of BlackRock's retail strategy, as BlackRock scales and customizes model portfolios, extends Aladdin Wealth and digital wealth partnerships globally, and helps advisors build better portfolios through portfolio construction and risk management, powered by *Aladdin*. BlackRock has seen strong momentum in outsourcing solutions among institutional clients, including the funding of several significant mandates in 2022, and anticipates continued outsourcing opportunities in the future.

Across BlackRock, many clients are focusing on the impact of sustainability factors 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 providing clients with choice and then executing in accordance with their chosen objectives. BlackRock's longstanding model of choice helps clients build portfolios to match the preferences and goals unique to each of them; for some clients this includes investing in sustainable strategies.

#### ***Regional***

On a regional basis, BlackRock in Europe Middle East and Africa ("EMEA") managed \$2.1tn (2021: \$2.7tn) of AUM for its clients as at 31 December 2022. This generated \$5.2bn (2021: \$6.4bn) of revenue from a diversified client base and product range, with EMEA representing 29% of BlackRock's base fees and securities lending revenue in 2022.

#### **Principal activity**

The principal activity of the Company is to act as the United Kingdom holding company of certain companies within the BlackRock group. The Company, through its operating subsidiaries, is engaged in the provision of investment management and advisory services.

The Company operates a branch outside the UK in Luxembourg.

The Company, its subsidiaries and participation ("the Group") is regulated by the Financial Conduct Authority ("FCA").

There have not been any significant changes in the Company's principal activities in the period under review and the directors propose that the principal activities will continue during 2023.

## BlackRock Group Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### Areas of strategic focus

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

- BlackRock's longstanding model of client choice, through which it offers a wide range of index, active, and whole portfolio solutions across broad markets, themes, regions, and investment styles;
- BlackRock's focus on strong investment performance, seeking the best risk-adjusted returns for client portfolios, within the mandates given by clients, to help them meet their investment objectives;
- BlackRock's research, data and analytics, which are at the centre of BlackRock's investment approach and processes. They inform BlackRock's pursuit of the best risk-adjusted returns, and underpin product creation and innovation;
- BlackRock's global reach and commitment to best practices around the world, with approximately 50% of employees outside the United States serving clients locally and supporting local investment capabilities. Approximately 40% of total AUM is managed for clients domiciled outside the United States;
- BlackRock's differentiated client relationships and fiduciary focus, which enable effective positioning toward changing client needs and industry trends including the secular shift to index investing and ETFs, growing allocations to private markets, increasing demand for outsourcing, anticipated re-allocations to fixed income, demand for high-performing active strategies, interest in sustainable investment strategies and whole portfolio solutions using index, active and illiquid alternatives products; and a continued 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*, and *Cachematrix*. This commitment is further extended by minority investments in financial technology and digital distribution providers, data and whole portfolio capabilities including Human Interest, Circle, Envestnet, Scalable Capital, iCapital, Acorns, and Clarity AI.

#### Business review

The nature of the Group's business has not changed significantly during 2022. The factors determining the level of regulatory capital held by MiFID and EU MiFID equivalent subsidiaries was impacted following the implementation of the Investment Firm Prudential Regime ("IFPR"). This did not result in a significant impact on capital adequacy.

Throughout the year, the Company's subsidiaries have seen a reduction in AUM as a result of industry wide market volatility. Revenues and profits within the group have also seen reductions. However, foreign exchange volatility has diluted this impact for many subsidiaries with non-USD functional currencies. The comprehensive product offering and balanced business model of the Company's subsidiaries has allowed the Company (and the group that it heads) to continue to generate sufficient profits and distributable reserves to make dividend payments. This resulted in dividend income of £1,469.3m (2021: £1,340.2m).

## **BlackRock Group Limited**

### **Strategic Report for the Year Ended 31 December 2022 (continued)**

#### **Key performance indicators**

##### ***Profit before tax***

Profit before tax increased by 9.7% to £1,450.1m in the year ended 31 December 2022 (2021: £1,322.3m) predominantly due to increased dividend income.

##### ***Net assets***

Net assets increased by 10.1% to £1,618.4m at 31 December 2022 (2021: £1,469.4m) reflecting increased retained profits during 2022.

##### ***Return on assets***

Calculated as net profit divided by total assets, the return on assets ratio for the year was 42.4% (2021: 40.4%) reflecting the increased dividend income.

#### **Principal risks and uncertainties**

The Board is responsible for the Group's system of risk management and internal controls, and for reviewing its effectiveness.

The Board has considered a number of potential risks and uncertainties affecting the Group's business as an investment manager and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Board, the audit committee and the risk committee 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 Group'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 and, where appropriate, its committees, to manage and mitigate the Group'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 Group's fee revenue or the value of its statement of financial position holdings. Investment management revenues are primarily comprised of management fees as a percentage of the value of assets under management or net asset value. Movements in equity prices, interest rates and credit spreads, or FX rates cause the value of the Group's assets under management and statement of financial position holdings to fluctuate, creating volatility in base fees, net income, and/or operating cash flow.

*Risk mitigation:* market risk to revenue is regularly monitored to reflect any changes in revenue drivers and market conditions. Market risk to revenues is mitigated via the Group's business model as an asset manager: a significant portion of the Group's cost structure is variable and, as such, can be adjusted by management rapidly to respond to market conditions. Market risk's impact on the statement of financial position is regularly monitored by the Treasury and Finance teams to reflect any changes in the statement of financial position positions, composition and hedging of FX exposures or investments (if any).

## BlackRock Group Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### **Credit risk**

*Risk description:* credit risk is the risk that a counterparty to the Group 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 client fee receivables (which may not be paid) and from the investment of corporate cash.

*Risk mitigation:* the Group minimises its exposure by actively pursuing settlement of outstanding management and performance fee invoices within the terms and conditions of the underlying agreement. 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 HSBC, the Group's main corporate bank.

#### **Capital adequacy risk**

*Risk description:* capital adequacy risk is the risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory testing purposes).

*Risk mitigation:* the Group's regulatory capital requirement is established by reference to the Internal Capital Adequacy and Risk Assessment ("ICARA") undertaken by the Company, as the parent of the Group. The detailed analysis therein considers the strategy of the Group, the risks faced in pursuing that strategy and the appropriate mitigation of those risks (one possible outcome of which may be to hold capital) to ensure the residual risk remains within the Board's risk appetite. The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern;
- to satisfy the requirements of its regulators; and
- to maintain financial strength to support new business growth.

Consideration of any dividends to be paid will have regard to the actual level of capital compared with target, as determined by the capital policy which sets out an internal requirement in excess of the regulatory requirement.

In addition, details of the Group's approach to capital adequacy are included in its 'Pillar 3' Market disclosure document, which also provides information regarding the remuneration policies and practices for those staff whose professional activities could have a material impact on the Group's risk profile. This can be found at the following website address:

<https://www.blackrock.com/uk/literature/public-disclosure/bgl-pillar-3-disclosure-2022.pdf>

## BlackRock Group Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### **Corporate liquidity risk**

*Risk description:* corporate liquidity risk is the risk that the Group 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:* the Group has a liquidity governance framework and policy that are designed to: identify, quantify, forecast and monitor the Group'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.

#### **Corporate tax risk**

*Risk description:* corporate tax risk is the risk of financial loss, reputational damage and/or loss of investor confidence arising from failure to comply with foreign and local tax regulations; ineffective controls over tax accounting or reporting; failure to manage changes in taxation rates, law, ownership, or corporate structure; or failure to disclose accurate information on a timely basis. This risk also arises where the Group's own tax treatments, policies or procedures are subject to interpretation by tax authorities that differ from the Group's or its advisors' interpretations. This can lead to the Group needing to adjust its structures, practices or strategies.

*Risk mitigation:* the Group's controls around tax reporting are designed to prevent errors and ensure compliance with disclosure requirements within prescribed timeframes. The Group seeks to comply with all relevant accounting and regulatory disclosure requirements to mitigate the risk of any public restatements of financial reporting information.

#### **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 Group. 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 Group include:

- *Operational (process) risk:* risk of financial loss or regulatory/reputational impact resulting from inadequate or failed internal processes and controls, human error, or systems, which may occur within the Group's internal operations across the client and trade lifecycles.
- *Compliance risk:* risk that the Group's products, services, activities, or operations are not conducted in compliance with applicable law and regulations, including those laws and regulations which impose fiduciary obligations, that client investment guidelines are not adhered to, that conflicts of interest are not appropriately mitigated, or that there is a failure to appropriately manage regulatory reporting requirements.
- *Information security risk:* risk arising from the inability to meet confidentiality, integrity, or availability requirements of Group information. Information security risk can also be described as failure to protect the Group 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, regulatory actions, a breach of client contracts, 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, customer or company assets for criminal purposes or the failure to adhere to relevant laws and regulations or have adequate systems and controls to demonstrate appropriate compliance in relation to money laundering, breaches of economic sanctions, fraud (internal and external) and 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 a materially adverse impact on the Group's reputation (with investors and clients) and lead to increased scrutiny, regulatory oversight, and potential public restatements, fines or fraud.



## **BlackRock Group Limited**

### **Strategic Report for the Year Ended 31 December 2022 (continued)**

*Risk mitigation:* the Group has a well-established operational risk management framework that provides appropriate control and oversight over risk management arrangements. The operational risk management framework supports the Group's fiduciary obligations to clients and mitigates the risk of poor customer outcomes. The Group has adopted a risk management framework based on a three lines of defence model comprised of the following four elements:

- Risk identification and assessment, including identifying the Group's 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 tolerance, including setting risk tolerances and manage its key enterprise risks within their limits and tolerances, ensuring appropriate escalations if risk tolerances are breached.
- 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 the Group'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.
- Risk governance and oversight, including establishing policies and procedures, establishing regional and global risk committees and overseeing the risk management framework.

#### ***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 (e.g. clients, regulators, government bodies, trading counterparties and suppliers) that could negatively impact revenue, earnings, brand value, and customer retention.

*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 the Group's Enterprise Risk Management Framework and a key focus for internal control processes around strategic decisions, products and services, operational processes, corporate governance, responsibility and communications, client and other 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 revenue, 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 the Group's strategic goals, the business strategies developed to achieve those goals, the resources deployed against these goals, and the quality of implementation. It also covers business concentration risks (e.g. earnings, client, investment strategy, third party provider concentration) and legal risks in relation to agreements with clients, employees or suppliers.

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 we think 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.

## BlackRock Group Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

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

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 company engagement. This commitment has been widely communicated to stakeholders.

In December 2021 BlackRock, Inc. published its annual Task Force on Climate-Related Financial Disclosures ("TCFD") aligned report detailing BlackRock's climate-related risks and opportunities, which can be accessed at the following link:

<https://www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2021-blkinc.pdf>

#### **Conduct risk**

*Risk description:* conduct risk is the risk arising from inappropriate behaviour by the Group and/or its employees which leads to detriment to the Group or its clients or has a negative impact on market integrity.

*Risk mitigation:* conduct risk is present in all of the Group's activities and responsibility for managing conduct risk is embedded throughout the Group's organisational and governance arrangements. All employees are expected to follow the BlackRock Principles and the Code of Business Conduct and Ethics. One of the Group's core principles is 'We are a fiduciary to our clients' and BlackRock expects all of its employees to put clients' interests first, to comply with all regulations, to abide by the law and to act with the highest level of integrity with clients and in markets.

#### **Group risk**

*Risk description:* group risk is the risk that the financial position of the Group 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 Group faces the risk that decisions made by, or circumstances impacting BlackRock group entities, may either directly impact the Group or may 'spill-over' and have an impact on the Group. 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 Group.

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

#### **Streamlined Energy and Carbon Reporting statement: greenhouse gas emissions and energy consumption disclosure**

The Company meets the definition of a large company (s465 Companies Act 2006) and is therefore within the scope of the Streamlined Energy and Carbon Reporting ("SECR") requirements. The Company does not, however, own, lease or operate any tangible assets and has no direct employees. For these reasons, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

## BlackRock Group Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### Companies Act s172 Statement

Under section 172 of the Companies Act 2006 ("s172"), the directors of the Company must act in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they should have regard to other factors, including but not limited to:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board have had regard to each of the above requirements of s172 during the year ended 31 December 2022 as follows:

#### *The likely consequences of any decision in the long-term*

As a subsidiary of BlackRock inc, the Board shares the purpose developed by the BlackRock board of directors and considers how best to implement that purpose in the Company's values, strategy and culture. The Board delegates responsibility to formulate the Company's strategy to the Head of EMEA, who serves as a member on the Board, and takes primary responsibility for: formulating the strategic objectives of the Company within the Company's risk tolerance; developing business plans, budgets and operating strategies for the Company; and defining financial objectives, plans and budgets. The Head of EMEA engages with senior management to ensure that the Company's strategy is designed and implemented in a manner that is consistent with BlackRock's global growth priorities, and in a manner that is suited to the UK market.

The Board are responsible for overseeing the implementation of the Company's long-term strategic objectives and receive regular updates from the Head of EMEA on the delivery of corporate strategy and regional and industry trends both in Board meetings and informal briefing sessions.

Key examples of how the Board have considered the likely consequences of any decision in the long-term for the year ended 31 December 2022 include:

- approving the Company's annual Risk Appetite and Risk Tolerance statement;
- approving senior manager appointments;
- reviewing the impact of Larry Fink's CEO letters on the strategy of the EMEA region;
- approving cash repatriation transactions and liquidity management within the BlackRock group;
- reviewing the Company's stewardship strategy outlining how BlackRock intends to engage with companies in which it is invested;
- overseeing the management of conflicts within BlackRock's businesses; and
- identifying matters that might impact BGL's internal capital adequacy process.

## BlackRock Group Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### *The interests of the Company's employees*

The Company does not have any direct employees, however individuals who are employed by other BlackRock entities to undertake functional activities on behalf of the Company are subject to high standards of compliance and conduct training, in line with BlackRock's global and regional standard requirements. BlackRock's Code of Conduct requires all employees to comply with the FCA's individual conduct rules: to act with integrity; to act with due skill, care and diligence; to be open and cooperative with the FCA and other regulators; to pay due regard to the interests of customers and treat them fairly; and to observe proper standards of market conduct.

It is the Company's policy that there should be effective communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current and future job prospects and working environment. Senior Management engaged with employees throughout the year through executive communications, employee pulse surveys and regional townhalls. Employees were also encouraged to report concerns relating to business integrity through established whistleblowing processes, and anonymised concerns were reported to the Board on a quarterly basis. The Board was kept informed of the results of BlackRock employee engagement activities through reports from the EMEA Head of HR.

The Company believes a diverse workforce and an equitable and inclusive work environment are key factors in achieving better outcomes across all levels of its business. The Company adopts BlackRock's global strategy in relation to diversity, equity and inclusion, details of which are set out in the Working Together report which can be accessed at the following website address:

<https://www.blackrock.com/corporate/literature/fact-sheet/dei-annual-report.pdf>

#### *The need to foster the Company's business relationships with suppliers, customers and others*

The Company uses suppliers to help support and enhance business activities. BlackRock has a dedicated service vendor management team responsible for onboarding and monitoring of its key vendors. In addition, BlackRock has formal processes and procedures in place to manage supplier risk and service delivery, such as regular performance reviews for key suppliers. BlackRock maintains a Supplier Code of Conduct & Ethics which outlines the minimum expectations and standards of all of BlackRock's suppliers in relation to human rights, inclusion and diversity, environmental sustainability, integrity and ethics in management practices.

In response to the evolving needs of clients, BlackRock has evolved its distribution model across all BlackRock products, platforms and technology, to encourage the Company's growth as a regional business in the United Kingdom. The Head of the UK drives UK client strategy whilst being directly responsible for the UK Institutional, Wealth, Charities and Endowments, Investment Trusts and Defined Contribution/Unit Linked businesses.

The Company is subject to regulatory oversight by the FCA in the UK on a consolidated basis as the UK parent company of a group of regulated entities. The Board and Management have regular interactions with the FCA, providing open and transparent information on a proactive and reactive basis at all levels of Senior management. A comprehensive control framework exists across Risk, Compliance and Internal Audit functions in order to oversee the Company's business operations, with regular reporting provided to the Board on regulatory matters.

Material matters relating to business relationships with suppliers, customers and other stakeholders are reported to the Board by Senior management as required.

## BlackRock Group Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### *The impact of the Company's operations on the community and the environment*

The Company's purpose - to help more and more people experience financial wellbeing - reflects the belief that BlackRock has an important role to play in helping improve people's lives, the community and the environment. BlackRock has a responsibility to millions of people around the world, and an urgent social purpose. By improving the relationship people have with their money, BlackRock can help improve their financial wellbeing - and their overall wellbeing. BlackRock has committed to integrate sustainable business practices into its strategy and operations. As a subsidiary of the BlackRock group, the Company has committed to:

- operate a sustainable corporation, recognising that long-term sustainability delivers the best outcomes for stakeholders; that the workforce is central to the Company's sustainability efforts; and pursuing a strategy that decouples company growth from the impact on the environment;
- make sustainable investing BlackRock's standard, providing sustainability-integrated portfolios and making sustainability integral to the way BlackRock manages risk, deepening the integration of environmental, social and governance ("ESG") factors into risk management and investment processes, and putting ESG analysis at the centre of BlackRock's technology platform;
- act as responsible steward of BlackRock's client assets by engaging with companies to understand how they are managing and disclosing sustainability-related risks and encouraging companies to adopt corporate governance and business practices consistent with delivering sustainable long-term financial returns; and
- make a positive social impact through charitable contributions and empowering the Company's employees to give back to their communities.

The Company's strategy in relation to sustainability and ESG factors were regularly communicated to the Board through reports from the Head of EMEA, the EMEA Head of Corporate Strategy and BlackRock Investment Stewardship. Senior management have communicated BlackRock's sustainability commitments to all stakeholders in a letter to shareholders of BlackRock, which can be accessed at the following link: <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>

#### *The desirability of the Company maintaining a reputation for high standards of business conduct*

BlackRock's culture is a key differentiator of the Company's strategy and helps to drive results and long-term growth. The Company's culture unifies the firm and helps to reinforce ethical behaviour at all levels. BlackRock's approach to instilling, reinforcing and enhancing our culture is deliberate and intentional. The Board embeds BlackRock's culture of fiduciary commitment to serve clients and stay ahead of their needs. BlackRock's Code of Conduct requires all employees to comply with the FCA's individual conduct rules: to act with integrity; to act with due skill, care and diligence; to be open and cooperative with the FCA and other regulators; to pay due regard to the interests of customers and treat them fairly; and to observe proper standards of market conduct.

The Board hold regular meetings with senior management, by way of formal meetings and education sessions, to ensure that oversight and control of the Company's business operations is maintained, and where necessary, constructive challenge can be provided. This enables the Company's businesses to deliver strategy in a manner consistent with the BlackRock group's purpose and culture.

## BlackRock Group Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

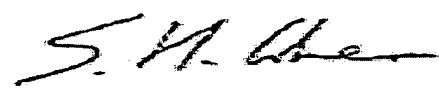
#### *The need to act fairly between members of the Company*

The Company is a separate legal entity and is therefore making this statement as such, but in practical terms, the Company is part of a wider group and therefore the duties of the directors of the Company are exercised in a way that is most likely to promote the success of the Company for the BlackRock group as a whole, while having regard to factors outlined in section 172(1) Companies Act 2006.

This statement is also available on the Company's website at:

<https://www.blackrock.com/uk/individual/literature/policies/s172-corporate-governance-statements.pdf>

Approved by the Board on 29 March 2023 and signed on its behalf by:



.....  
S Cohen  
Director

## **BlackRock Group Limited**

### **Directors' Report for the Year Ended 31 December 2022**

The Board presents its report together with the audited financial statements of BlackRock Group Limited (registered number: 00951043) for the year ended 31 December 2022.

The directors have chosen, in accordance with section 414C (11) of the Companies Act 2006, to include certain additional matters in the Strategic Report that would otherwise be required to be disclosed in the Directors' Report, including the Company's principal activity and business review.

#### **Dividends**

Dividends of £1,299.3m (2021: £1224.0m) were paid in the year ended 31 December 2022.

#### **Directors and officers of the Company**

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

J Charrington - Chairman

J Anderson (appointed 12 July 2022)

D Clarke

C Clausen

S Cohen

E de Freitas

M Duncan

E Fishwick (resigned 20 July 2022)

S Mullin Outhwaite (resigned 6 July 2022)

M Young

Officers:

BlackRock Company Secretarial Services (UK) Limited - Company Secretary

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

## **BlackRock Group Limited**

### **Directors' Report for the Year Ended 31 December 2022 (continued)**

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

#### **Going concern**

The directors believe that the Company is well placed to manage its business risks successfully. After making enquiries and considerations explained in note 2, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Directors' third-party indemnity provisions**

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2022 for the benefit of the then directors and, at the date of this report, are in force for the benefit of the directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### **Reappointment of auditor**

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 29 March 2023 and signed on its behalf by:



.....  
S Cohen  
Director



## **BlackRock Group Limited**

### **Independent Auditor's Report to the Members of BlackRock Group Limited**

#### **Opinion**

In our opinion the financial statements of BlackRock Group Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

## **BlackRock Group Limited**

### **Independent Auditor's Report to the Members of BlackRock Group Limited (continued)**

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

We have nothing to report in this regard.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Company's industry and its control environment, and reviewed the Company'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, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company 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 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, information technology ("IT"), regulatory compliance and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

## **BlackRock Group Limited**

### **Independent Auditor's Report to the Members of BlackRock Group Limited (continued)**

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

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

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, 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, reviewing internal audit reports, and reviewing correspondence with tax authorities.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

##### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

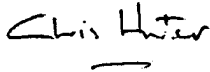
We have nothing to report in respect of these matters.

## **BlackRock Group Limited**

### **Independent Auditor's Report to the Members of BlackRock Group Limited (continued)**

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

29 March 2023

## BlackRock Group Limited

### Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Dividend income	9	1,469,335	1,340,241
Administrative expenses		(173)	(823)
Other (losses)/gains		<u>(2)</u>	<u>170</u>
Operating profit	4	1,469,160	1,339,588
Finance income	5	9,865	3,568
Finance costs	5	(29,933)	(20,003)
Net gains on financial instruments held at fair value through profit and loss		-	172
Net gains/(losses) on derivative financial instruments		<u>964</u>	<u>(1,014)</u>
Profit before tax		1,450,056	1,322,311
Income tax expense	8	<u>(1,833)</u>	<u>(1,703)</u>
Profit for the year		<u><u>1,448,223</u></u>	<u><u>1,320,608</u></u>

The above results were derived from continuing operations in the UK and the overseas branch.

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 Group Limited

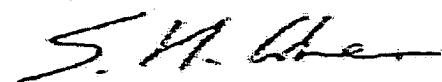
(Registration number: 00951043)

## Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 £ 000	31 December 2021* £ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	9	2,218,380	2,239,642
Other non-current financial assets	10	910,000	910,000
		<u>3,128,380</u>	<u>3,149,642</u>
<b>Current assets</b>			
Trade and other receivables	11	283,915	111,546
Other current financial assets	12	49	60
Cash and cash equivalents	13	8,395	8,385
		<u>292,359</u>	<u>119,991</u>
Total assets		<u>3,420,739</u>	<u>3,269,633</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	14	235,166	235,166
Share premium reserve		800,000	800,000
Capital redemption reserve		7,029	7,029
Retained earnings		576,167	427,231
		<u>1,618,362</u>	<u>1,469,426</u>
<b>Non-current liabilities</b>			
Loans and borrowings	15	1,754,524	1,754,524
<b>Current liabilities</b>			
Trade and other payables	16	39,236	28,287
Loans and borrowings	15	-	15,000
Income tax liability		8,617	2,396
		<u>47,853</u>	<u>45,683</u>
Total liabilities		<u>1,802,377</u>	<u>1,800,207</u>
Total equity and liabilities		<u>3,420,739</u>	<u>3,269,633</u>

\*See note 10 for information on prior year restatement.

Approved by the Board on 29 March 2023 and signed on its behalf by:



S Cohen  
Director

The notes on pages 22 to 40 form an integral part of these financial statements.

# BlackRock Group Limited

## Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Share premium reserve £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	235,166	800,000	7,029	427,231	1,469,426
Profit for the year	-	-	-	1,448,223	1,448,223
Dividends	-	-	-	(1,299,287)	(1,299,287)
At 31 December 2022	<u>235,166</u>	<u>800,000</u>	<u>7,029</u>	<u>576,167</u>	<u>1,618,362</u>

	Share capital £ 000	Share premium reserve £ 000	Capital redemption reserve £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	235,166	800,000	7,029	330,625	1,372,820
Profit for the year	-	-	-	1,320,608	1,320,608
Dividends	-	-	-	(1,224,002)	(1,224,002)
At 31 December 2021	<u>235,166</u>	<u>800,000</u>	<u>7,029</u>	<u>427,231</u>	<u>1,469,426</u>

The notes on pages 22 to 40 form an integral part of these financial statements.  
Page 21

# **BlackRock Group Limited**

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

### **1 General information**

The Company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

12 Throgmorton Avenue

London

EC2N 2DL

These financial statements were authorised for issue by the Board on 29 March 2023.

#### **Principal activity**

The principal activity of the Company is to act as the United Kingdom holding company of certain companies within the BlackRock group. The Company, through its operating subsidiaries, is engaged in the provision of investment management and advisory services.

The Company operates a branch outside the UK in Luxembourg.

The Company, its subsidiaries and participation ("the Group") is regulated by the Financial Conduct Authority ("FCA").

There have not been any significant changes in the Company's principal activities in the period under review and the directors propose that the principal activities will continue during 2023.

### **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 Company meets the definition of a qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' ("FRS 100") as issued by the FRC. Accordingly, in the year ended 31 December 2022 the Company has applied FRS 101.

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

#### **Summary of disclosure exemptions**

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of comparative information in respect of certain standards, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the group accounts of BlackRock, Inc. These accounts are available to the public and can be obtained as set out in note 20.



## **BlackRock Group Limited**

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

#### **2 Accounting policies (continued)**

##### **Exemption from preparing group accounts**

The financial statements contain information about BlackRock Group Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, BlackRock, Inc.

##### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report along with principal risks and uncertainties.

*In assessing the going concern status, the directors have taken into account the above factors, including the financial position and profitability of the Company and its subsidiaries. The companies that have provided financing to BlackRock Group Limited are under common control. The Company has, at the date of this report, sufficient existing finances available for its estimated requirements for the next 12 months. This, together with the proven ability of the Company's subsidiaries to generate cash from operations, provides the directors with the confidence that the Company is well placed to manage its business risks successfully.*

After making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, 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 standards**

###### *New accounting standards, interpretations and amendments adopted*

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

##### **Foreign currency transactions and balances**

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

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position 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 income statement 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 income statement in the period in which they arise.

##### **Interest income and expenses**

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

## **BlackRock Group Limited**

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

#### **2 Accounting policies (continued)**

##### **Tax**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries in which the Company operates and generates taxable income.

##### **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 circumstance indicate that the carrying amount may not be recoverable.

##### **Dividends**

Dividend income from investments is recognised when the Company's rights to receive payment have been established, it is probable that the economic benefits associated with the dividend will flow to the Company 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 directors.

##### **Return of capital**

A return of capital reflects a distribution of original capital back to the shareholder. The receipt of a return of capital is recognised when the distribution clearly constitutes a recovery of the initial investment made.

## BlackRock Group Limited

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

#### 2 Accounting policies (continued)

##### Financial instruments

###### *Recognition and derecognition*

Financial assets and financial liabilities are recognised on the trade date when the Company 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).

Financial assets are classified and subsequently measured, based on business model and contractual cash flow characteristics, at: amortised cost; FVTPL; or fair value through other comprehensive income ("FVTOCI").

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

All income and expenses relating to financial assets that are recognised in the income statement are presented within finance costs, finance income or net gains or losses on derivative financial instruments.

Foreign exchange gains or losses arising on financial assets at amortised cost are presented in the income statement 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 income statement within net gains or losses on derivative financial instruments.

###### *Subsequent measurement of financial assets*

###### *Financial assets at amortised cost*

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

The Company's cash and cash equivalents, trade and other receivables and loans 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 Company has not designated any amortised cost or FVTOCI financial assets at FVTPL.

The Company's financial assets measured at FVTPL comprise derivative financial instruments and investments. Any gains or losses are recognised in the income statement.

## BlackRock Group Limited

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

#### 2 Accounting policies (continued)

##### *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 trade receivables 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 income statement 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 contingent consideration acquired in a business combination, held for trading liabilities (including derivatives) and financial liabilities designated at FVTPL, which are at fair value with gains or losses recognised in the income statement.

The Company's financial liabilities at amortised cost are loans and borrowings and trade and other payables. The Company's financial liabilities at FVTPL are derivative financial instruments. The Company has not designated any financial liabilities at FVTPL.

In the income statement interest-related charges are included within finance costs and changes in fair value are included within net gains on derivative financial instruments.

Foreign exchange gain or losses arising on financial liabilities at amortised cost are presented in the income statement 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 income statement within net gains on derivative financial instruments.

##### *Derivative financial instruments*

The Company's derivative financial instruments, foreign exchange forward contracts, are measured at FVTPL. In the statement of financial position, derivative financial instruments with positive fair values (unrealised gains) are included as assets and derivative financial instruments with negative fair values (unrealised losses) are included as liabilities.

The Company uses derivative financial instruments to economically hedge risk associated with foreign exchange movements. It is not the Company's policy to trade in derivative instruments and hedge accounting is not applied.

##### *Equity instruments*

Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The Company's ordinary shares are classified as equity instruments.

# BlackRock Group Limited

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

### 3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

#### *Critical accounting judgements*

There are no critical accounting judgements.

#### *Key sources of estimation uncertainty*

There are no key sources of estimation uncertainty.

### 4 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£ 000	£ 000
Foreign exchange losses	171	587
Loss/(gain) on disposal of investment in subsidiaries	2	(170)

Refer to note 9 for further details on the gain on disposal of investment in subsidiaries.

### 5 Finance income and costs

	2022	2021
	£ 000	£ 000
<b>Finance income</b>		
Interest income on loan notes receivable from group companies	8,564	3,568
Interest income on bank deposits	1,301	-
Total finance income	9,865	3,568
<b>Finance costs</b>		
Interest expense on loan notes payable to group companies	(29,928)	(19,947)
Other finance costs	(5)	(56)
Total finance costs	(29,933)	(20,003)

## BlackRock Group Limited

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

#### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Aggregate emoluments	5,357	4,755
Company contributions in respect of defined contribution pension schemes	32	33
	<u>5,389</u>	<u>4,788</u>

Of the 10 (2021: 10) directors that served during the year, no directors were remunerated by the Company (2021: no directors). The amounts included above relate to their service as directors of the Company based on an estimated time allocation basis except 6 (2021: 6) directors, who were paid an agreed fee.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Received or were entitled to receive shares under service condition based schemes	4	4
Received or were entitled to receive shares under market performance based schemes	3	4
Accruing benefits under defined contribution pension scheme	<u>4</u>	<u>4</u>

During the year, no director (2021: no director) exercised BlackRock, Inc. share options.

In respect of the highest paid director:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Aggregate emoluments	2,328	1,397
Company contributions in respect of defined contribution pension schemes	12	4
	<u>2,340</u>	<u>1,401</u>

During the year, the highest paid director received, or was entitled to receive, shares under both a service condition based incentive scheme and a market performance based incentive scheme.

## BlackRock Group Limited

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

#### 7 Auditor's remuneration

	2022 £ 000	2021 £ 000
Audit of the financial statements	120	112
<b>Other fees to the auditor</b>		
Audit of financial statements of any associate of the Company	2,905	2,762
Audit-related assurance services	502	466
All other assurance services	150	104
All other non-audit services	96	103
	<u>3,653</u>	<u>3,435</u>

Auditor's remuneration has been borne by another group company in the current and prior years.

#### 8 Income tax

Tax charged in the income statement:

	2022 £ 000	2021 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>1,833</u>	<u>1,703</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021: lower than the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	<u>1,450,056</u>	<u>1,322,311</u>
Corporation tax at standard rate	275,511	251,239
Decrease from effect of revenues exempt from taxation	(279,134)	(254,595)
Decrease from effect of expenses not deductible in determining taxable profit (tax loss)	-	(32)
Increase arising from group relief tax reconciliation	3,623	3,388
Other tax effects for reconciliation between accounting profit and tax expense	<u>1,833</u>	<u>1,703</u>
Total tax charge	<u>1,833</u>	<u>1,703</u>

## BlackRock Group Limited

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

#### 8 Income tax (continued)

In June 2021, the Finance Act 2021 was enacted to increase the UK corporation tax rate from 19% to 25% from 1 April 2023. The tax balances of the Company have been recognised at a rate of 19% or 25% depending on the rate at which these are expected to unwind.

There are £3,002 of unused management expenses (2021: £22,508) for which no deferred tax asset is recognised in the balance sheet.

The Company notes recent developments in relation to the Organisation for Economic Co-operation and Development inclusive Framework on Base Erosion and Profit Shifting which will set a new minimum global corporate tax rate of 15%. This may impact the Company's future tax charge and effective tax rate but at this stage it not possible to estimate the impact on the BlackRock Group and therefore the Company. No deferred tax assets or liabilities are recognised in the financial statements in respect of such taxes.

#### 9 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost</b>	
At 1 January 2021	3,188,014
Disposals	(3,268)
Return of Capital	(945,104)
At 31 December 2021	<u>2,239,642</u>
At 1 January 2022	2,239,642
Additions	4,324
Returns of Capital	(25,584)
Disposals	(2)
At 31 December 2022	<u>2,218,380</u>



## BlackRock Group Limited

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

#### 9 Investments (continued)

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

Name of subsidiary / related undertaking	Principal activity	Country of incorporation and address of registered office	Proportion of ownership interest and voting rights held	
			2022	2021
BlackRock Investment Management (UK) Limited	Provider of investment management services	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock Asset Management (UK) Limited	Finance company	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock (Netherlands) B.V.	Provider of investment management services	Rembrandt Tower, Amstelplein 1, 17th Floor, 1096 HA Amsterdam, Netherlands	100%	100%
BlackRock Fund Management Company S.A.*	Unit trust management	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
BlackRock Finance Europe Limited*	Finance company	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock Luxembourg Holdco S.a.r.l.*	Holding company	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
BlackRock Advisors (UK) Limited	Provider of investment management services	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock Asset Management Investor Services Limited	Provider of central group services	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock International Limited*	Provider of investment management services	Exchange Place One, 1 Semple Street, Edinburgh EH3 8BL, United Kingdom	100%	100%
BlackRock Fund Managers Limited	Provider of investment management services	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock Asset Management Deutschland AG	Provider of investment management services	Lenbachplatz 1, Munich, 80333, Germany	100%	100%
iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen	Provider of investment management services	Lenbachplatz 1, 80333 Munich, Germany	100%	100%

## BlackRock Group Limited

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

#### 9 Investments (continued)

Name of subsidiary / related undertaking	Principal activity	Country of incorporation and address of registered office	Proportion of ownership interest and voting rights held	
			2022	2021
BlackRock (Luxembourg) S.A.	Provider of investment management services	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
BlackRock Investment Management Ireland Holdings Limited	Holding company	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, D04 YW83, Ireland	100%	100%
BlackRock Asset Management Ireland Limited	Provider of investment management services	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, D04 YW83, Ireland	100%	100%
BlackRock Life Limited	Provider of investment management policies for unit linked pension schemes	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock Asset Management Schweiz AG	Sales and marketing	Bahnhofstrasse 39, CH-8001 Zürich, Switzerland	100%	100%
BlackRock UK Holdco Limited	Holding company	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock Property Lux S.a.r.l.*	Provider of administrative and advisory services	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
BlackRock Property France SARL*	Provider of administrative and advisory services	16 Rue de quatre septembre, 75002 Paris	100%	100%
BlackRock Channel Islands Holdco Limited	Holding company	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%
BlackRock (Channel Islands) Limited	Provider of investment management and administrative services	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%
BlackRock Private Equity III GenPar LP	General Partner	Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda	100%	100%
BlackRock Growth Markets II SGP Limited	General Partner	Ugland House, George Town, Grand Cayman, KYI-1104, Cayman Islands	100%	100%
BlackRock Infrastructure II SGP Limited	General Partner	Ugland House, George Town, Grand Cayman, KYI-1104, Cayman Islands	100%	100%

## BlackRock Group Limited

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

#### 9 Investments (continued)

Name of subsidiary / related undertaking	Principal activity	Country of incorporation and address of registered office	Proportion of ownership interest and voting rights held	
			2022	2021
BlackRock Private Equity V SGP Limited	General Partner	Ugland House, George Town, Grand Cayman, KYI-1104, Cayman Islands	100%	100%
Grosvenor Ventures Limited	Investment company	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
Mercury Private Equity MUST 3 (Jersey) Limited*	Provider of investment management services as general partner	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%
Grosvenor Alternate Partner Limited	Provider of investment management services as general partner	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock First Partner Limited	General Partner	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%
St. Albans House Nominees (Jersey) Ltd	Nominee of affiliated companies	11-15 Seaton Place, St Helier, Jersey, JE4 0QH	100%	100%
BlackRock (Slovakia) s.r.o.*	Dormant entity	Karadžičova 8/a, Bratislava - mestská časť Ružinov 821 08, Slovakia	100%	100%
BlackRock Saudi Arabia*	Provider of investment management services	Level 29, Block B, Olaya Towers, P.O. Box 50182, Riyadh 11523, Saudi Arabia	100%	100%
BlackRock Germany GmbH*	Dormant entity	Lenbachplatz 1, Munich, 80333, Germany	100%	100%
BlackRock Hungary Kft.*	Provider of investment management and administrative services	1054 Budapest, Kálmán Imre utca 1, Hungary	100%	100%
BlackRock France SAS*	Provider of investment management services	Le Centuriale, 16-18, rue du Quatre Septembre, 75002 Paris, France	100%	100%
BlackRock Pensions Limited	Dormant entity	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%
BlackRock Luxembourg GP S.a.r.l.	General Partner	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
GID Program General Partner S.a.r.l.	General Partner	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%

## BlackRock Group Limited

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

#### 9 Investments (continued)

Name of subsidiary / related undertaking	Principal activity	Country of incorporation and address of registered office	Proportion of ownership interest and voting rights held	
			2022	2021
BlackRock GP Lux S.a.r.l.	General Partner	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
EMMPD Fund I GP S.a.r.l.	General Partner	47, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
Global Infrastructure Solutions 3 Multi-Manager GP S.a.r.l.	General Partner	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
Middle Market Senior Fund GP S.a.r.l.	General Partner	35A, Avenue JF Kennedy, L-1855, Luxembourg	100%	100%
BlackRock Company Secretarial Services (UK) Limited*	Company secretarial services	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	100%	100%

\* indicates direct investment of the Company.

During the year, dividends of £1,273,335,000 (2021: £1,182,595,000) were received from BlackRock Finance Europe Limited ("BRFE"), a dividend of £196,000,000 (2021: £154,500,000) was received from BlackRock Luxembourg Holdco S.a.r.l, no dividend was received from BlackRock Fund Management Company S.A. (2021: £2,753,000) and there was no carried interest received from Mercury Carry Company Limited (2021: £393,000).

During the year, the Company received a £25,584,000 (2021: nil) return of capital from BlackRock Investment Management (Dublin) Limited ("BIMD") following its rationalisation. No return of capital was received from BRFE (2021: £945,104,000).

During the year, the Company disposed of its direct investment in Mercury Carry Company Limited. This resulted in a loss on disposal of £2,000 which was recognised within other losses in the income statement.

During the year, a capital contribution of £4,323,000 was made to BlackRock France SAS ("BFS") (2021: nil).

## BlackRock Group Limited

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

#### 9 Investments (continued)

##### Associates

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

Name of associate	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2022	2021
Scalable GmbH	Digital investment manager	Prinzregentenstraße 48, 80538 München, Germany	29.5% 32.4%	/ 29.5% / 33.5%

All of the above direct investment subsidiaries and associates are recorded at cost or, following the adoption of FRS 101, elected cost. No impairment has been recognised against any subsidiary or associate.

#### 10 Other non-current financial assets

	31 December 2022 £ 000	31 December 2021 £ 000
Amounts due from group companies	910,000	910,000
	<u>910,000</u>	<u>910,000</u>

Prior year other amounts due from group companies includes amounts restated from current assets (trade and other receivables) following a current period review of the timing of expected realisation of the associated receivables.

Amounts due from group companies is a loan note receivable from BlackRock Finco UK Limited. Interest is payable semi-annually on 31 March and 30 September at an annual rate of 0.94%. The principal amount is repayable on demand or upon maturity on 29 March 2024.

# BlackRock Group Limited

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

### 11 Trade and other receivables

	31 December 2022 £ 000	31 December 2021 £ 000
Amounts due from group companies	283,915	111,546
	<u>283,915</u>	<u>111,546</u>

Cash management within the BlackRock group is governed by a cash pooling arrangement. Surplus cash from BlackRock group companies is swept into HSBC accounts held by BlackRock Investment Management (UK) Limited ("BIM"). The balances are treated as intercompany receivables and payables between the Company and BIM. The balance due from BIM of £281,228,000 (2021: £109,165,000 receivable) in relation to this arrangement is included within amounts due from group companies.

All other amounts due from group companies are unsecured, interest free and repayable on demand. Of the amounts due from group companies above, £281,529,000 (2021: £109,166,000) is due from the Company's subsidiaries and £2,386,000 (2021: £2,380,000) is due from other group companies.

### 12 Other current financial assets

	31 December 2022 £ 000	31 December 2021 £ 000
Financial assets at fair value through profit and loss	49	60
	<u>49</u>	<u>60</u>

### 13 Cash and cash equivalents

	31 December 2022 £ 000	31 December 2021 £ 000
Cash at bank	8,390	8,385
Money market funds	5	-
	<u>8,395</u>	<u>8,385</u>

# BlackRock Group Limited

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

### 14 Share capital

#### Allotted, called up and fully paid shares

	No. 000	2022 £ 000	No. 000	2021 £ 000
Class A Ordinary shares of £0.05 each	2,351,664	117,583	2,351,664	117,583
Class B Ordinary shares of £0.00 each	44,681,615	117,583	44,681,615	117,583
	<u>47,033,279</u>	<u>235,166</u>	<u>47,033,279</u>	<u>235,166</u>

### 15 Loans and borrowings

	31 December 2022 £ 000	31 December 2021 £ 000
<b>Non-current loans and borrowings</b>		
Loans due to group companies	<u>1,754,524</u>	<u>1,754,524</u>
<b>Current loans and borrowings</b>		
Loans due to group companies	<u>-</u>	<u>15,000</u>

## BlackRock Group Limited

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

#### 15 Loans and borrowings (continued)

The breakdown of the loan notes due, both within one year and after more than one year, are as follows:

Group company	Interest rate	Maturity	31 December 2022 £ 000	31 December 2021 £ 000
BlackRock (Luxembourg) S.A.	1.35%	01/07/2026	854,524	854,524
BlackRock Investment Management (UK) Limited	2.47%	31/03/2024	900,000	900,000
BlackRock UK Holdco Limited	2.12%	20/03/2022	-	15,000
			<u>1,754,524</u>	<u>1,769,524</u>

The Company is a designated borrower on a \$4.7bn five year revolving syndicated bank facility, with a reserved capacity of \$600m. No consent of the lending banks is required for BlackRock Inc. and the Company to jointly increase the reserved capacity up to \$1bn. The facility is extended annually subject to market conditions.

The Company is also a designated borrower on an internal \$600m five year revolving credit facility provided by BlackRock Financial Management, Inc. This facility is also extended annually.

The Company has not drawn down any of the funds under the above facilities.

#### 16 Trade and other payables

	31 December 2022 £ 000	31 December 2021 £ 000
Amounts due to group companies	39,215	27,985
Other payables	<u>21</u>	<u>302</u>
	<u>39,236</u>	<u>28,287</u>

Excluding the loan notes detailed in note 15, all amounts due to group companies are unsecured, interest free and repayable on demand. Of the amounts due to group companies above, £39,215,000 (2021: £27,985,000) is due to the Company's subsidiaries.

#### 17 Dividends

	31 December 2022 £ 000	31 December 2021 £ 000
Interim dividend of £0.02762 (2021: £0.02602) per ordinary share	<u>1,299,287</u>	<u>1,224,002</u>



## BlackRock Group Limited

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

#### 18 Financial instruments

##### Financial assets measured at fair value

	31 December 2022 £ 000	31 December 2021 £ 000
Assets designated as fair value through the profit and loss - other current financial assets	49	60
Derivatives held for trading - foreign exchange forward contracts	419	-
	<u>468</u>	<u>60</u>

##### Financial liabilities measured at fair value

	31 December 2022 £ 000	31 December 2021 £ 000
Derivatives held for trading - foreign exchange forward contracts	-	279

At the statement of financial position date, foreign exchange forward contracts were in place to hedge the transactional foreign exchange exposure of the entity. These forwards have a tenor of less than one month.

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

#### 19 Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow members of the group.

Details of directors' remuneration are set out in note 6. There are no personnel other than directors, who as key management exercise authority and responsibility for planning, directing and controlling the activities of the Company.

#### 20 Parent and ultimate parent undertaking

The Company's immediate holding company is BlackRock Cayman West Bay IV Limited. The ultimate parent company and controlling party is BlackRock, Inc. a company incorporated in the State of Delaware in the United States of America. The parent company of the largest and smallest group that includes the Company and for which group accounts are prepared is BlackRock, Inc. Copies of the group financial statements are available upon request from the Investor Relations website at [www.blackrock.com](http://www.blackrock.com) or requests may be addressed to Investor Relations at 50 Hudson Yards, New York, NY 10001 USA or by email at [invrel@blackrock.com](mailto:invrel@blackrock.com).

## **BlackRock Group Limited**

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

#### **21 Non adjusting events after the financial period**

In March 2023, the Company received a £57.4m dividend from BlackRock Finance Europe Limited.

The loan of £900.0m due to group company BIM and included within loans and borrowings (note 15) was extended after the statement of financial position date to mature on 31 March 2025, with a revised annual interest rate of 5.1287%. All other terms relating to this loan remain unchanged.