

Registration number: 7075607

BlackRock Finance Europe Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2014

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BlackRock Finance Europe Limited

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BlackRock Finance Europe Limited

Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

The company's role in the global group

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

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

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

Specifically the company provides finance for other group companies.

Profit before tax

The company has made a profit before tax for the year of £6.2m (2013: £9.1m), a decrease of £2.9m (32%). The decrease has resulted from a reduction in interest received, as a result of repayments by borrowers of loan notes towards the end of 2013.

Net assets

The net assets of the company are £214.3m at 31 December 2014 (2013: £129.1m). This increase is due to issue of loan notes in June 2014 to BlackRock UK Holdco Limited, see note 10 for further details. This has been offset by payment of dividends by the company, see note 14.

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

Going concern

The directors believe that the company is well placed to manage its business risks successfully despite the current economic outlook. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

BlackRock Finance Europe Limited

Strategic Report for the Year Ended 31 December 2014

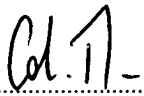
Principal risks and uncertainties

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

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

The company has no material exposure to currency risk or liquidity risk in relation to financial instruments. The company has minimal exposure to market risk in relation to its intercompany debt, specifically interest rate risk, as all loans have a fixed interest rate. All loans are intercompany and the associated credit risk is deemed minimal.

Approved by the Board on 4 June 2015 and signed on its behalf by:


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C Thomson
Director

BlackRock Finance Europe Limited

Directors' Report for the Year Ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Principal activity

The principal activity of the company is to act as a finance company.

Dividends

Interim dividends of £39.0m were paid in 2014 (2013: £280.0m). The directors recommended a final dividend payment of £48.3m, which was paid in March 2015, in respect of the financial year ended 31 December 2014 (2013: £nil).

Directors and Officers of the company

The directors who held office during the year were as follows:

N Fleming (appointed 8 December 2014)

A Sievwright

C Thomson

J DesMarais (resigned 8 December 2014)

Officers:

A Caban - Company secretary

J Taylor - Company secretary (resigned 15 April 2015)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

BlackRock Finance Europe Limited

Directors' Report for the Year Ended 31 December 2014

Directors liabilities

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were accordingly in force during the course of the financial year ended 31 December 2014 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.

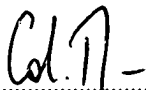
Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors Deloitte LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 4 June 2015 and signed on its behalf by:



C Thomson
Director

BlackRock Finance Europe Limited

Independent Auditor's Report to the Members of BlackRock Finance Europe Limited

We have audited the financial statements of BlackRock Finance Europe Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes set out on pages 10 to 17. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

This report is made solely to the 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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

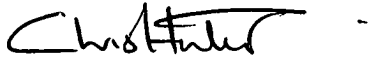
BlackRock Finance Europe Limited

Independent Auditor's Report to the Members of BlackRock Finance Europe Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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.



Chris Hunter (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor

Edinburgh
United Kingdom

4 June 2015

BlackRock Finance Europe Limited

Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £ 000	2013 £ 000
Interest receivable and similar income	4	6,158	9,090
Interest payable and similar charges	5	<u>(1)</u>	<u>-</u>
Profit before tax		6,157	9,090
Tax on profit on ordinary activities	9	<u>-</u>	<u>(2,113)</u>
Profit for the year		<u>6,157</u>	<u>6,977</u>

Results derive wholly from continuing operations.

The company has no other comprehensive income for the year other than the results above.

The notes on pages 10 to 17 form an integral part of these financial statements.

BlackRock Finance Europe Limited

(Registration number: 7075607)
Balance Sheet as at 31 December 2014

	Note	31 December 2014 £ 000	31 December 2013 £ 000
Current assets			
Debtors due after one year	10	210,894	123,893
Debtors due within one year	10	2,337	7,045
Cash at bank and in hand	11	<u>1,027</u>	<u>276</u>
		214,258	131,214
Creditors: Amounts falling due within one year	12	<u>-</u>	<u>(2,113)</u>
Net assets		<u>214,258</u>	<u>129,101</u>
Capital and reserves			
Called up share capital	13	-	-
Share premium reserve		132,391	14,391
Profit and loss account		<u>81,867</u>	<u>114,710</u>
Shareholders' funds		<u>214,258</u>	<u>129,101</u>

Approved by the Board on 4 June 2015 and signed on its behalf by:


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C Thomson
Director

BlackRock Finance Europe Limited

Statement of Changes in Equity for the Year Ended 31 December 2014

	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2014	14,391	114,710	129,101
Profit for the year	-	6,157	6,157
Total comprehensive income	-	6,157	6,157
Dividends	-	(39,000)	(39,000)
New share capital subscribed	118,000	-	118,000
At 31 December 2014	132,391	81,867	214,258

	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2013	290,000	97,733	387,733
Profit for the year	-	6,977	6,977
Total comprehensive income	-	6,977	6,977
Dividends	-	(280,000)	(280,000)
New share capital subscribed	14,391	-	14,391
Transfer to distributable reserves	(290,000)	290,000	-
At 31 December 2013	14,391	114,710	129,101

BlackRock Finance Europe Limited

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

1 General information

The company is a private company limited by share capital incorporated and domiciled in UK.

The address of its registered office is:

12 Throgmorton Avenue
London
EC2N 2DL

These financial statements were authorised for issue by the Board on 4 June 2015.

2 Transition to FRS 101

First time adoption of FRS 101

These financial statements, for the year ended 31 December 2014, are the first the company has prepared in accordance with FRS 101. For periods up to and including the year ended 31 December 2013, the company prepared its financial statements in accordance with UK GAAP ("Local GAAP").

Accordingly, the company has prepared financial statements which comply with FRS 101 applicable for periods ending on or after 31 December 2014, together with the comparative period data as at and for the year ended 31 December 2013. In preparing these financial statements, the company's balance sheet was prepared at 1 January 2013, the company's date of transition to FRS 101. This note explains the exemptions taken and principal adjustments made by the company in restating its local GAAP financial statements into FRS 101, including the balance sheet as at 1 January 2013 and the financial statements as at, and for, the year ended 31 December 2013.

Transitional Adjustments

There are no Local GAAP to FRS 101 transition adjustments requiring the reconciliation of Local GAAP to FRS 101 financial statements.

3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the year and the preceding year.

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

3 Accounting policies (continued)

Basis of preparation

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

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash-flow statement, standards not yet effective, impairment of assets, share-based payments and related party transactions.

Where required, equivalent disclosures are given in the group accounts of BlackRock, Inc. These accounts are available to the public and can be obtained as set out in note 17.

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

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 on pages 1 to 2, along with key risks facing the company. The financial statements include the financial and cash position of the company in the balance sheet.

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

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. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Interest income

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

Tax

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

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 where the company operates and generates taxable income.

Dividends

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

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

3 Accounting policies (continued)

Financial instruments

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

Financial assets and financial liabilities are recognised initially at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the profit or loss.

Financial assets

Financial assets are classified into the following category:

- Loans & receivables.

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

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

Effective interest method

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

3 Accounting policies (continued)

Impairment of financial assets

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

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

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

For certain categories of financial asset such as trade receivables, assets that are assessed not to be impaired individually are, in addition assessed for impairment on a collective basis.

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

4 Interest receivable and similar income

	2014	2013
	£ 000	£ 000
Interest income on loan notes receivable from group undertakings	<u>6,158</u>	<u>9,090</u>

5 Interest payable and similar charges

	2014	2013
	£ 000	£ 000
Other interest payable	<u>1</u>	<u>-</u>

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

6 Staff costs

The company had no employees during the year (2013: none).

7 Directors' remuneration

During the year, no director received emoluments in relation to services to the company (2013: £nil).

8 Auditors' remuneration

	2014 £ 000	2013 £ 000
Audit of the financial statements	<u>21</u>	<u>18</u>

9 Income tax

Tax charged in profit or loss

	2014 £ 000	2013 £ 000
Current taxation		
UK corporation tax	<u>-</u>	<u>2,113</u>

The tax on profit on ordinary activities before tax for the year is lower than the standard rate of corporation tax in the UK (2013: the same as) of 21.5% (2013: 23.25%).

The differences are reconciled below:

	2014 £ 000	2013 £ 000
Profit before tax	<u>6,157</u>	<u>9,090</u>
Corporation tax at standard rate	1,324	2,113
Group relief received	<u>(1,324)</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>2,113</u>

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

10 Debtors

	2014 £ 000	2013 £ 000
Amounts due from group companies	2,337	1,270
Amounts due from group companies - loan notes	<u>-</u>	<u>5,775</u>
	<u>2,337</u>	<u>7,045</u>

Debtors due after one year

£210,894,000 (2013: £123,893,000) of amounts due from group undertakings - loan notes are classified as non current.

Group Company	Description	Interest Rate	Maturity	2014 £000	2013 £000
BlackRock Investment Management Ireland Holdings Limited	Tranche 2	7.22%	30 September 2016	5,678	36,667
BlackRock Investment Management Ireland Holdings Limited	Tranche 3	8.54%	30 September 2019	15,000	15,000
BlackRock Luxembourg Holdco S.à.r.l.	Tranche 5	1.55%	30 June 2018	63,600	63,600
BlackRock Luxembourg Holdco S.à.r.l.	Tranche 6	1.55%	30 June 2018	8,616	8,616
BlackRock UK Holdco Limited	Tranche 1A	1.97%	30 September 2019	42,750	-
BlackRock UK Holdco Limited	Tranche 2A	2.4%	30 September 2021	23,750	-
BlackRock UK Holdco Limited	Tranche 3A	2.74%	30 September 2023	45,600	-
BlackRock UK Holdco Limited	Tranche 1B	1.97%	30 September 2019	2,250	-
BlackRock UK Holdco Limited	Tranche 2B	2.4%	30 September 2021	1,250	-
BlackRock UK Holdco Limited	Tranche 3B	2.74%	30 September 2023	2,400	-
				<u>210,894</u>	<u>123,893</u>

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

11 Cash and cash equivalents

	2014	2013
	£ 000	£ 000
Cash at bank	<u>1,027</u>	<u>276</u>

12 Creditors: Amounts falling due within one year

	2014	2013
	£ 000	£ 000
Corporation tax liability	<u>-</u>	<u>2,113</u>

13 Share capital

Allotted, called up and fully paid shares

	No.	2014 £	No.	2013 £	1 January 2013 No.	£
Ordinary Shares of £1 each	<u>104</u>	<u>104</u>	<u>103</u>	<u>103</u>	<u>101</u>	<u>101</u>

New shares allotted

During the year 1 Ordinary Share having an aggregate nominal value of £1 was allotted for an aggregate consideration of £118,000,000.

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2014 (continued)

14 Dividends

	2014 £ 000	2013 £ 000
Interim dividend of £375,000.00 (2013: £2,718,446.00) per ordinary share	<u>39,000</u>	<u>280,000</u>

The directors proposed a final dividend of £464,807.00 (2013: £Nil) per share totalling £48,340,000 (2013: £Nil), which was paid in March 2015. This dividend has not been accrued in the balance sheet.

15 Financial instruments

Fair value of financial instruments

Disclosed in the table below is the categorisation of financial instruments.

	2014 £ 000	2013 £ 000
Financial Assets		
Amounts due from group companies - loan notes	210,894	129,668
Amounts due from group companies	2,337	1,270
Cash and cash equivalents	<u>1,027</u>	<u>276</u>

16 Related party transactions

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

17 Parent and ultimate parent undertaking

The company's immediate holding company is BlackRock Group Limited and 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 or requests may be addressed to Investor Relations at 55 East 52nd Street, New York, NY 10055, USA or by email at invrel@blackrock.com.

18 Non adjusting events after the financial period

On 27 March 2015 BlackRock Luxembourg Holdco S.à.r.l. repaid £43,600,000 towards Tranche 5 loan notes.