

Registration number: 7075607

BlackRock Finance Europe Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

TUESDAY



A5B224NT

A08

12/07/2016

#420

COMPANIES HOUSE

BlackRock Finance Europe Limited

Contents

Strategic Report	1
Directors Report	2 to 3
Independent Auditor's Report	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 14

BlackRock Finance Europe Limited

Strategic Report for the Year Ended 31 December 2015

The Strategic Report for the year ended 31 December 2015.

The company's role in the global group

The company is part of BlackRock, Inc. ("BlackRock"), a leading global asset management firm with \$4.6tn in assets under management ("AUM"), as at 31 December 2015. With approximately 13,000 employees in more than 30 countries, BlackRock provides a broad range of investment and risk management services to institutional and retail clients worldwide.

There have not been any significant changes in the company's principal activities in the period under review and the directors propose that the principal activities will continue during 2016.

Specifically the company provides finance for other group companies.

Profit after tax

The company has made a profit for the year ended £3.6m (2014: £6.2m), a decrease of £2.6m (42%). The decrease has resulted from a reduction in interest received as a result of repayments by borrowers of loan notes during 2015.

Net assets

The net assets of the company are £76.7m at 31 December 2015 (2014: £214.3m). The decrease is due to repayment by borrowers of loan notes during 2015 and subsequent payment of dividends by the company.

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.

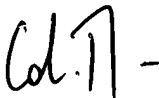
Principal risks and uncertainties

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 30 June 16 and signed on its behalf by:



C Thomson
Director

BlackRock Finance Europe Limited

Directors Report for the Year Ended 31 December 2015

The board of directors (the "Board") present their report together with the audited financial statements of BlackRock Finance Europe Limited (registered number:7075607) for the year ended 31 December 2015.

Principal activity

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

Dividends

Dividends of £141.1m were paid in 2015 (2014: £39.0m).

Directors and officers of the company

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

C Thomson

N Fleming

A Sievwright

Officers:

A Caban - Company secretary (resigned 16 December 2015)

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 applicable law and 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 year. 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.

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 2015 (continued)

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.

Directors' third-party indemnity provisions

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 2015 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

The director has taken steps that ought to have taken as a director in order to make aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that of and of which the auditor is unaware.

Reappointment of auditors

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

Approved by the Board on 30 June 16 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 2015 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes set out on pages 9 to 14. 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.

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 (set out on page 2), 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 (APB'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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

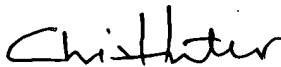
BlackRock Finance Europe Limited

**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

Date: 30 June 2016

BlackRock Finance Europe Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Interest receivable and similar income	3	3,617	6,158
Interest payable and similar charges	4	<u>-</u>	<u>(1)</u>
Profit before tax		3,617	6,157
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
Profit for the year		<u>3,617</u>	<u>6,157</u>

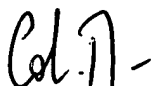
The company has no other comprehensive income for the year other than the results above.

BlackRock Finance Europe Limited

(Registration number: 7075607)
Balance Sheet as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Current assets			
Debtors: amounts falling due after one year	9	75,250	210,894
Debtors: amounts falling due within one year	8	490	2,337
Cash and cash equivalents		1,007	1,027
		<u>76,747</u>	<u>214,258</u>
Capital and reserves			
Called up share capital	10	-	-
Share premium reserve		-	132,391
Profit and loss account		76,747	81,867
Shareholders' funds		<u>76,747</u>	<u>214,258</u>

Approved by the director on 30 June 16



C Thomson
Director

BlackRock Finance Europe Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share premium reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2015	132,391	81,867	214,258
Profit for the year	-	3,617	3,617
Dividends	-	(141,128)	(141,128)
Share premium conversion	(132,391)	132,391	-
At 31 December 2015	<u>-</u>	<u>76,747</u>	<u>76,747</u>

	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
Dividends	-	(39,000)	(39,000)
New share capital subscribed	118,000	-	118,000
At 31 December 2014	<u>132,391</u>	<u>81,867</u>	<u>214,258</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

The company is a private company limited by share capital incorporated and domiciled in the 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 13 June 2016.

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 applied consistently throughout the year and the preceding year.

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 2015 financial statements have been prepared in accordance with applicable law and FRS 101 as issued by the Financial Reporting Council.

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, 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 14.

The financial statements have been prepared on the historical cost basis. 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 page 1, along with key risks facing the company.

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.

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Dividends

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

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

Classification

Financial assets are classified as loans and receivables

Recognition and measurement

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

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

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at 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.

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.

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.

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (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.

The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss account.

3 Interest receivable and similar income

	2015	2014
	£ 000	£ 000
Interest income on loan notes receivable from group undertakings	<u>3,617</u>	<u>6,158</u>

4 Interest payable and similar charges

	2015	2014
	£ 000	£ 000
Other interest payable	<u>-</u>	<u>1</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015	2014
	£ 000	£ 000
Aggregate emoluments	<u>4</u>	<u>4</u>

Of the 3 (2014: 4) directors that served during the year, no directors were remunerated by the company (2014: no directors). The amounts included below relate to their service as directors of the company based on an estimated time allocation basis.

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

	2015	2014
	No.	No.
Received or were entitled to receive shares under service condition based schemes	2	3
Accruing benefits under defined contribution pension scheme	<u>3</u>	<u>4</u>

During the year, no directors (2014: no directors) exercised BlackRock, Inc. share options.

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

6 Auditors' remuneration

	2015 £ 000	2014 £ 000
Audit of the financial statements	<u>21</u>	<u>21</u>

Audit remuneration has been borne by another group company in the current and preceding years.

7 Income tax

Tax charged in the profit and loss account

	2015 £ 000	2014 £ 000
Current taxation		
Total current income tax	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £ 000	2014 £ 000
Profit before tax	<u>3,617</u>	<u>6,157</u>
Corporation tax at standard rate	732	1,324
(Decrease)/increase arising from group relief tax reconciliation	<u>(732)</u>	<u>(1,324)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

8 Debtors: amounts falling due within one year

	2015 £ 000	2014 £ 000
Amounts due from group companies	<u>490</u>	<u>2,337</u>
	<u>490</u>	<u>2,337</u>

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

9 Debtors: amounts falling due after one year

£75,250,000 (2014: £210,894,000) of debtors greater than one year relate to loans due from group companies summarised as follows:

Group Company	Description	Interest Rate	Maturity	2015 £000	2014 £000
BlackRock Investment Management Ireland Holdings Limited	Tranche 2	7.22%	30 September 2016	-	5,678
BlackRock Investment Management Ireland Holdings Limited	Tranche 3	8.54%	30 September 2019	-	15,000
BlackRock Luxembourg Holdco S.à.r.l.	Tranche 5	1.55%	30 June 2018	-	63,600
BlackRock Luxembourg Holdco S.à.r.l.	Tranche 6	1.55%	30 June 2018	-	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	23,750
BlackRock UK Holdco Limited	Tranche 3A	2.74%	30 September 2023	45,600	45,600
BlackRock UK Holdco Limited	Tranche 1B	1.97%	30 September 2019	2,250	2,250
BlackRock UK Holdco Limited	Tranche 2B	2.4%	30 September 2021	1,250	1,250
BlackRock UK Holdco Limited	Tranche 3B	2.74%	30 September 2023	2,400	2,400
				<u>75,250</u>	<u>210,894</u>

10 Share capital

Authorised, called up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary Shares of £1 each	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>

11 Dividends

	2015 £ 000	2014 £ 000
Interim dividend of £1,357,000 (2014 - £375,000) per ordinary share	<u>141,128</u>	<u>39,000</u>

The directors proposed a further dividend of £271,442 (2014 - £464,807) per share totalling £28,230,000 (2014 - £48,340,000). This dividend was not accrued in the balance sheet.

BlackRock Finance Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

12 Financial instruments

Financial assets

Loans and receivables

	2015 £ 000	2014 £ 000
Cash at bank and in hand	1,007	1,027
Trade and other receivables	<u>75,740</u>	<u>213,231</u>
	<u>76,747</u>	<u>214,258</u>

13 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.

Details of Directors' emoluments are set out in note 5. 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.

14 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.

The most senior parent entity producing publicly available financial statements is BlackRock, Inc..

15 Post balance sheet events

In March 2016, BlackRock UK Holdco Limited ("UK Holdco") repaid £27,250,000 of loan principal on Tranches 2A, 1B and 2B and the company subsequently paid a dividend of £28,230,000.

In June 2016, UK Holdco will repay £19,000,000 of loan principal on Tranche 3A. The company has proposed an interim dividend of £19,000,000.

Our Ref: CH/AI

Date: 3 June 2016

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of BlackRock Finance Europe Limited (the "Company") for the year ended 31 December 2015 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of BlackRock Finance Europe Limited as of 31 December 2015 and of the results of its operations, other recognised gains and losses for the year then ended in accordance with the applicable accounting framework and the Companies Act 2006. We are aware that under Section 501 of the Companies Act 2006, it is an offence to mislead a company auditor.

We confirm, to the best of our knowledge and belief, the following representations.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework and the Companies Act 2006 which give a true and fair view, as set out in the terms of the audit engagement letter.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Where applicable, the valuation methodologies, which incorporate significant unobservable inputs, have been calibrated to comparable market transactions, if any, identified during the year.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IAS24 "Related party disclosures. We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware.
4. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is detailed in the appendix to this letter.
6. We confirm that the financial statements have been prepared on the going concern basis. We do not currently intend to liquidate the Company or cease trading as we consider we have realistic alternatives to doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. We confirm the completeness of the information provided to you regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.

7. The measurement processes, including related assumptions and models used to determine accounting estimates in the context of the applicable financial reporting framework are appropriate and have been applied consistently. The assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Company where relevant to the accounting estimates and disclosures.
8. The disclosures related to accounting estimates under the Company's applicable financial reporting framework are complete and appropriate.
9. There have been no subsequent events that require adjustment to the accounting estimates and disclosures included in the financial statements.
10. The Company has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets and assets pledged as collateral.
11. We have recorded or disclosed, as appropriate, all material liabilities, both actual and contingent.
12. We have disclosed to you all material deficiencies in internal control of which we are aware and which have a material effect on the Company's financial statements.
13. All approved minutes of directors and shareholders' meetings of the Company during and since the financial year have been made available to you.

Information provided

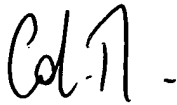
14. We have provided you with all relevant information and access as agreed in the terms of the audit engagement letter and required by sections 499 and 500 of the Companies Act 2006.
15. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
16. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
17. No formal assessment has been made of the risk that the financial statements may be materially misstated as a result of fraud; however, we are not aware that the financial statements are materially misstated as a result of fraud.
18. Save any that we have already disclosed to you, we are not aware of any fraud or suspected fraud that affects the Company and involves:
 - (i). management;
 - (ii). employees who have significant roles in internal control; or
 - (iii). others where the fraud could have a material effect on the financial statements.
19. Save any that we have already disclosed to you we are not aware of allegations of fraud or suspected fraud that is material to the Company's financial statements communicated by employees, former employees, analysts, regulators or others.
20. We are not aware of litigation that is expected to be material to the Company's business save any that we have already disclosed to you.
21. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
22. Where we have taken advantage of any of the disclosure exemptions in FRS 101 "*Reduced Disclosure Framework*" which are dependent on equivalent disclosures having been made in a parent company's consolidated financial statements, we have checked that such disclosures have been made.
23. The disclosures given in the financial statements regarding control of the Company are correct. The transactions described in the financial statements do not involve undisclosed side agreements and have been consummated on terms substantially equivalent to those that prevail in an arm's length transaction.

All transactions with the related parties are consummated on terms substantially equivalent to those that prevail in an arm's length transaction.

24. We confirm that we have notified you of all changes to the accounting systems and internal controls of the Company which might affect your assessment of the adequacy of such systems and controls. We also confirm that we have informed you of any appointment of external consultants (excluding law firms) to advise on our accounting systems, internal control or other related matters (including regulatory matters) and have supplied you with copies of all material reports affecting the financial statements that have been produced, so that you have been made aware of any implications for your audit.
25. All the Company's accounting records requested by you have been made available to you for the purposes of your audit. We have also taken reasonable steps to ensure that appointed representatives and material outsourcers have given you the same right of access to our accounting and other records held by them.
26. Save as disclosed to you, we are not aware of any actual or possible instances of non-compliance with laws, regulations (including breaches of the money laundering regulations) and contractual agreements whose effects should be considered when preparing financial statements.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff of the Company (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

A handwritten signature in black ink, appearing to be 'C. J. -', is written above the printed name of the signatory.

Signed on behalf of the Board of Directors
BlackRock Finance Europe Limited

Appendix 1

Schedule of Uncorrected Misstatements

<u>Description</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Income Statement</u>
	<u>DR / (CR)</u>	<u>DR / CR)</u>	<u>DR / (CR)</u>	<u>DR / (CR)</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Variance arising due to difference in calculation methods applied. Difference through use of straight line versus effective interest methods used to calculate the interest income of the entity.	298,743			(298,743)