

BlackRock International Limited

Report and Accounts

Year ended 31 December 2008

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Directors' report

The directors present their report and audited accounts for BlackRock International Limited (formerly BlackRock International, Ltd.) for the year ended 31 December 2008. This incorporates the branch BlackRock International, Ltd (Munich).

Results and dividends

The profit for the year after taxation amounted to £15,354,000 (2007 Profit: £6,765,000) and has been transferred to reserves. The directors do not recommend the payment of a dividend.

Business Review and Principal Activities

The company is a wholly owned subsidiary of BlackRock Inc. ("BlackRock") and operates as part of the group's European division.

The company's principal activity is investment management and the company is regulated by the Financial Services Authority and SEC. There have not been any significant changes in the company's principal activities in the year under review, however, the company now provides account payable, payroll and attendant treasury services to other group companies within the European region. The directors are not aware, at the date of this report of any likely changes in the company's activities in the next year.

With effect from 1st April 2008, 157 employees transferred their contracts of service from BlackRock International Limited to BlackRock Investment Management (UK) Limited ("BIM (UK)") for administrative reasons. Also with effect from 1st April 2008, 47 employees were seconded from BlackRock Investment Management (UK) Limited to BlackRock International Limited for organisational reasons.

As shown in the company's profit and loss account on page 8, the company's turnover has decreased by 21% compared with the prior year. This is as a result of the majority of new fund management contracts being recorded within another group company. Assets under management moved from £4.2 billion to £2.8 billion over the year. Other income has decreased by 8% this year, as the result of decreased income receivable from group companies. Administrative expenses have significantly reduced by 89%, which has largely been driven by the reduced staff costs of £8.5M and exchange rate gains of £6.5M. Profit before tax has increased from £1.1M to £16.6M as a result of the factors noted above.

The balance sheet on page 9 of the financial statements reflects the impact of the profit and loss analysis in the previous paragraph. During 2008 the management of cash was improved by the introduction of an UK cash-pooling arrangement. Surplus cash from BlackRock group companies is swept into HSBC accounts held by BIM (UK). These balances are treated as intercompany loans between BIM (UK) and the corresponding group companies. This cash is then held as short term money market investments by BlackRock Group Limited. The receivable due from BIM (UK) Ltd of £42.9M (2007: £nil) in relation to this arrangement is included within 'Due from fellow subsidiaries'. Interest generated by this arrangement is recognised within BIL.

BlackRock Inc. manages its operations on a geographical basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the European region of BlackRock Inc., which includes BlackRock International Limited, is discussed in the group's Annual Report which does not form part of this Report.

The company is not exposed to significant risks arising from financial instruments. A significant proportion of the financial assets held by the company comprise cash and deposits with banks. The main purpose of holding these financial assets is to ensure appropriate liquidity, enabling the company's liabilities to be met as they fall due and to meet regulatory requirements in respect of liquidity management.

Directors' report

Principal risks and uncertainties

Principal risks and uncertainties are managed by BlackRock, Inc. ("BlackRock") at a global level. As a leading investment management firm risk is an inherent part of BlackRock's business. Global markets, by their nature, are prone to uncertainty and subject participants to a variety of risks. BlackRock devotes significant resources across all of its operations to identifying, measuring, monitoring, managing and analysing market and operating risks, including investments in personnel and technology.

The specific risks and uncertainties relevant to the Company include:

- Change in securities markets could lead to a decline in revenues
- Poor investment performance could lead to the loss of clients and a decline in revenues
- Loss of key employees could lead to the loss of clients and a decline in revenues
- Loss of significant separate accounts could decrease revenues
- Operational risk events, such as error or fraud, may result in direct costs and/or subsequent litigation.
- Failure to comply with government regulations could result in fines or temporary or permanent prohibitions on business activities
- The occurrence of one or more of the above events could adversely affect the reputation of the company and hence its ability to generate revenues in the longer term

The Company has low exposures to market risk, credit risk and liquidity risk in relation to its cash and money market investments. The Company has some exposure to currency risk, in relation to the impacts of changes in the value of foreign currencies on amounts receivable and payable. The Company manages the exposure to foreign exchange by converting cash balances to functional currency where this is causing ongoing exposure.

The Company addresses solvency and liquidity risk by reference to the Internal Capital Adequacy Assessment Process (ICAAP) undertaken by its immediate parent, BlackRock Group Limited, as required by the Financial Services Authority (FSA). The detailed analysis therein encompasses all the subsidiaries of BlackRock Group Limited, of which BlackRock International Limited is one. In particular, the ICAAP establishes the minimum capital requirement with reference to the amount of capital needed to effect an orderly wind-down of the business in a distressed situation. Then the firm's long-term capital plan is set to ensure that the amount of capital held remains above this level at all times.

Further details of BlackRock Group Limited's approach to capital adequacy are to be found in its 'Pillar 3' disclosure document, which is to be found at the following website address.

www2.blackrock.com/global/home/InvestorRelations/CorporateGovernance/index.htm

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 accounts.

Tangible fixed assets

Tangible fixed assets of £290,000 (2007: £1,186,000) were acquired during the year.

Supplier payment policy

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensuring that the suppliers are made aware of the terms of the payment and abide by the terms of payment.

Directors' report

Directors and their interests

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

Stewart Carracher
Robert Fairbairn
Nicholas Hall
Quintin Price
Katherine Shircliff
Colin Thomson

Ms Shircliff resigned as a director on 7 March 2008. Mr Robert Fairbairn resigned on 19 March 2009. Mr J R Kushel was appointed director on 19 March 2009.

No director held an interest in the share capital of the company. The interests of the directors in the share capital of the ultimate parent company, BlackRock Inc., are shown in the financial statements of that company.

Directors' indemnities

BlackRock, Inc. had in place Directors and Officers Insurance that extended coverage to the Company's directors during the year, which cover remains in force at the date of this report.

Disclosure of Information to the Auditors

Each Director of the company holding office at the date of approval of this report confirms that:

- (1) so far as each of the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) so far as each of the directors are aware they have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section S234ZA of the Companies Act 1985.

Auditor

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term

By order of the Board



Rory Maclean
Secretary
21st April 2009

Statement of directors' responsibilities

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). The financial statements are required by law to 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 then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records that 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 1985. 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.

Independent auditors' report to the members of BlackRock International Limited.

We have audited the financial statements of BlackRock International Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to it in an auditors' 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of BlackRock International Limited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

21st April 2009

Profit and Loss Account

For the year ended 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Turnover	2	10,047	12,727
Other income	3	8,054	8,743
Administrative expenses		(2,363)	(20,692)
Operating profit	4	15,738	778
Profit on disposal of current asset investment		-	2
Profit on ordinary activities before finance charges		15,738	780
Finance charges (net)		859	281
Profit on ordinary activities before taxation		16,597	1,061
Tax on profit on ordinary activities	7	(1,243)	5,704
Profit for the financial year	17	15,354	6,765

The notes on pages 10 to 18 form an integral part of these financial statements.

The company's results all relate to continuing operations.

There were no recognised gains or losses affecting shareholder's funds other than those reflected in the profit for the year as disclosed above and, accordingly, no Statement of Total Recognised Gains and Losses is shown.

Balance Sheet**As at 31 December 2008**

	Notes	2008 £000	2007 £000
Fixed assets			
Tangible assets	9	1,609	1,943
		<u>1,609</u>	<u>1,943</u>
Current assets			
Debtors	10	58,044	37,927
Cash at bank and in hand		769	10,265
		<u>58,813</u>	<u>48,192</u>
Creditors: amounts falling due within one year	11	(2,781)	(5,916)
Net current assets		<u>56,032</u>	<u>42,276</u>
Total assets less current liabilities		57,641	44,219
Creditors: amounts falling due after more than one year	12	-	(193)
Provisions for liabilities	13	(92)	-
		<u>57,549</u>	<u>44,026</u>
Capital and reserves			
Share capital	15	1,300	1,300
Capital contributions	17	8,019	9,850
Profit and loss account	17	48,230	32,876
Equity shareholder's funds	17	<u>57,549</u>	<u>44,026</u>

The notes on pages 10 to 18 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 21st April 2009 and signed on its behalf by:



Director

Notes to the accounts

For the year ended 31 December 2008

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable UK law and accounting standards. The principal accounting policies, which have been consistently applied, are set out below. The disclosures on going concern in the Directors' report form part of the financial statements.

Cash flow

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised 1996) - Cash Flow Statements, as a consolidated cash flow statement is included in the publicly available consolidated financial statements of the ultimate parent company, BlackRock, Inc..

Turnover

Turnover represents investment management fees and income from advisory and administrative services provided in the normal course of business.

Investment management and investment advisory and administration services are recognised as the services are performed. Such fees are primarily based on predetermined percentages of the market value of the assets under management.

The Company also receives performance fees on certain separate accounts. These performance fees are generally earned upon exceeding specified investment return thresholds. Such fees are recorded upon completion of the measurement period.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Computer equipment	- 3 years
Telephone equipment	- 3 years
Office equipment	- 3 years
Fixtures & fittings	- 7 years
Leasehold property	- 10 years

Investments

Fixed asset investments and current asset investments are stated at the lower of cost and net realisable value.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by or substantively enacted at the balance sheet date.

Deferred tax is recognised as a liability or an asset if, prior to the balance sheet date, the Company has entered into transactions or events have occurred that give rise to timing differences giving the Company an obligation to pay more tax in the future or a right to pay less tax in the future. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is measured on a non-discounted basis.

Pensions

The Company operates a defined contribution scheme called BlackRock Group Personal Pension Scheme. The costs of defined contribution schemes are a percentage of each employee's annual salary based on their age and length of service with the Company.

For defined contribution schemes the amount charged to profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes to the accounts

For the year ended 31 December 2008

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

Share-based payment

The company has applied the requirements of FRS 20 Share-based Payment. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006.

The company issues equity-settled and cash-settled share-based payments to certain employees. Options to purchase shares of BlackRock Inc. common stock are granted at an exercise price not less than the market value of BlackRock's common stock on the date of grant. The fair value determined at the grant date of all the equity-settled share-based payments is expensed on a straight-line method over the requisite service period for each separately vesting portion of the award as if the award was, in-substance, multiple awards, based on the group's estimate of awards that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value for the purpose of measuring option payments is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Company also provides certain employees with the ability to purchase the ultimate parent company's shares at 95% of the current market value. This amount for the company is wholly immaterial and therefore has not been considered further in terms of FRS 20.

The employee transfer from BlackRock International Limited to BlackRock Investment Management (UK) Limited has resulted in the liability of share-based payments also being transferred to BIM (UK) Ltd

2. Turnover

Turnover, which is stated net of value added tax, represents the amounts derived from investment management services provided in the United Kingdom.

3. Other income

Other income of £8,054,000 (2007: £8,743,000) represents amounts recoverable from BlackRock Inc, the ultimate parent company, in respect of activities undertaken on its behalf, by the company.

Notes to the accounts

For the year ended 31 December 2008

4. Operating profit

This is stated after charging:	2008	2007
	£000	£000
Depreciation of fixed assets	624	505
Operating Lease rentals – land & buildings	751	697
Foreign exchange (gain)/loss	(6,522)	41
Exceptional Items:		
Redundancy Costs	76	-
Auditors' remuneration:		
Payable to Deloitte LLP for the audit of the company's annual accounts	65	69

5. Staff costs

	2008	2007
	£000	£000
Wages and salaries	3,586	10,085
Social security costs	234	1,644
Other pension costs	287	833
	<u>4,107</u>	<u>12,562</u>

The average weekly number of employees during the year was as follows:

	2008	2007
	No.	No.
Office and management	57	142

With effect from 1st April 2008, 157 employees transferred their contracts of service from BlackRock International Limited to BlackRock Investment Management (UK) Limited for administrative reasons. Remaining employees after this date are employed by BlackRock International, Ltd (Munich) only.

6. Directors' remuneration

Included in staff costs above for the current year is the following directors' remuneration, reflecting the services of two directors to this company for whom it is possible to make an accurate apportionment of their emoluments with regards to the company.

The remaining four directors to this company are not directly employed by BlackRock International Limited and it was not possible to make an accurate apportionment of their emoluments in respect of their services to BlackRock International Limited.

	2008	2007
	£000	£000
Directors' remuneration		
Emoluments	766	55
Amounts receivable (other than shares and share options) under long-term incentive schemes	73	8
Company contributions to defined contribution schemes	29	3
	<u>868</u>	<u>66</u>

Notes to the accounts

For the year ended 31 December 2008

6. Directors' remuneration (continued)

	2008 No.	2007 No.
<i>The number of directors who:</i>		
Are members of defined contribution pension schemes	2	2
Exercised options over shares in the company	1	1
Had awards receivable in the form of shares under a long-term incentive schemes	2	2

The highest paid director received emoluments of £468,000 (2007: £36,000).

The value of the Company's contributions to a defined contribution pension scheme in respect of the highest paid director amounted to £15,000 (2007: £2,000).

The total accrued BlackRock defined benefit pension provision of the highest paid director at 31 December 2008 amounted to £nil (2007: £nil).

The highest paid director received BlackRock, Inc. shares under a long term incentive scheme during 2008.

7. Tax on profit on ordinary activities

	2008 £000	2007 £000
Current tax		
UK Corporation Tax charge/ (credit)	1,109	(4,116)
Double tax relief	(1,109)	-
	-	(4,116)
Foreign tax	1,245	-
	1,245	(4,116)
Adjustment in respect of prior years	-	(3,082)
Total current tax	1,245	(7,198)
Deferred tax		
Origination and reversal of timing differences in respect of the current period	17	1,229
Origination and reversal of timing differences in respect of previous periods	(19)	265
Total deferred tax (see note 14)	(2)	1,494
Total tax on profit on ordinary activities	1,243	(5,704)

Notes to the accounts

For the year ended 31 December 2008

7. Tax on profit on ordinary activities (continued)

Factors affecting tax charge:

The tax assessed on the profit on ordinary activities for the year is lower (2007: lower) than the standard rate of 28.5% (2007: 30%). The difference is reconciled below:

	2008 £000	2007 £000
Profit on ordinary activities before tax	16,597	1,061
Profit on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 28.5% (2007: 30%)	4,731	318
Adjustment to tax charge in respect of prior years	-	(3,082)
Expenses not deductible for tax purposes	45	85
Impact of Overseas Taxes	136	-
Deductible amounts in respect of exercise of share options	(157)	(3,338)
Capital allowances in excess of depreciation	90	11
Other timing differences	(52)	(1,192)
Group relief received for nil payment	(3,548)	-
Total current tax	1,245	(7,198)

8. Share based payments

Equity-settled share option scheme

The company bears the expense of a share option scheme, which is available to certain employees. Options are exercisable at a price equal to the closing quoted market price of the company's shares on the date of grant.

The vesting period is fifty six months, vesting on September 29, 2011. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest.

No options were granted in 2008.

The employee transfer from BlackRock International Limited to BlackRock Investment Management (UK) Limited has resulted in the liability of share-based payments also being transferred to BIM (UK) Ltd.

	2008	2007
Weighted average exercise price	-	\$167.76
Expected volatility	-	24.5%
Expected life	-	7.335
Risk free rate	-	4.8%
Dividend yield	-	1% - 4.44%

The company recognised total expenses of £nil (2007:£0.1M) related to equity-settled share option transactions.

Notes to the accounts

For the year ended 31 December 2008

8. Share based payments (continued)

Equity-settled share based schemes

Restricted stock grants and RSU's to certain employees are issued in relation to the parent company's shares. Restricted stock was issued for stock awards prior to 2006. RSUs were issued for the majority of grants since 2006.

These restricted shares and RSUs vest over periods ranging from one to five years and are expensed over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards. Dividend equivalents on restricted stock and RSUs are paid to employees based on the dividend payment date. Forfeitures based on management's best estimate of restrictions and behavioural considerations have been adjusted for within the fair value amortised over the vesting period. The company has the obligation to settle the liability in respect of restricted stock grants and RSU's.

Also LTIP's are issued to certain employees which are accounted for on an equity-settled basis. The liability is amortised over the vesting period. The vesting period is fifty six months, vesting on September 29, 2011. Forfeitures based on management's best estimate of restrictions and behavioural considerations, have been adjusted for within the fair value amortised over the vesting period.

The company values restricted stock, RSU's and LTIP's at their grant-date fair value as measured by BlackRock's common stock price.

The company recognised total expenses of £0.3M (2007:£1.4M) related to other equity-settled share-based payment transactions. The liability recognised is £0 (see note 12).

9. Tangible fixed assets

	<i>Leasehold property £000</i>	<i>Fixtures and fittings £000</i>	<i>Computer equipment £000</i>	<i>Office equipment £000</i>	<i>Telephone equipment £000</i>	<i>Total £000</i>
Cost						
At 1 January 2008	1,876	1,023	1,302	37	387	4,625
Additions	131	91	29	-	39	290
Disposals	-	-	(48)	-	-	(48)
At 31 December 2008	2,007	1,114	1,283	37	426	4,867
Depreciation						
At 1 January 2008	862	554	971	24	271	2,682
Charge for year	197	183	167	13	64	624
Disposals	-	-	(48)	-	-	(48)
At 31 December 2008	1,059	737	1,090	37	335	3,258
Net book value						
At 31 December 2008	948	377	193	-	91	1,609
At 1 January 2008	1,014	469	331	13	116	1,943

Notes to the accounts

For the year ended 31 December 2008

10. Debtors

	2008	2007
	£000	£000
Trade debtors	7,370	7,428
Prepayments and accrued income	285	305
Other debtors	428	324
Corporation Tax recoverable	7,208	7,208
Due from fellow subsidiary	42,753	21,086
Due from parent undertaking	-	910
Deferred tax asset (see note 13)	-	666
	58,044	37,927

11. Creditors: amounts falling due within one year

	2008	2007
	£000	£000
Trade creditors	41	90
Accruals	762	4,586
Due to parent undertaking	600	-
Due to fellow subsidiary	374	-
Other taxes and social security costs	17	1,240
Corporate tax liability	987	-
	2,781	5,916

12. Creditors: amounts falling due after more than one year

	2008	2007
	£000	£000
Long term retention and incentive plan	-	193

13. Provisions for liabilities

	2008	2007
	£000	£000
Deferred tax liability (see note 14)	92	-

14. Deferred Tax

	2008	2007
	£000	£000
Fixed asset timing differences	(92)	(126)
Short-term timing differences	-	792
	(92)	666

Notes to the accounts

For the year ended 31 December 2008

14. Deferred Tax (continued)

	<i>Deferred Taxation £000</i>
At 1 January 2008 (see note 10)	666
Provided during the year in relation to current period (see note 7)	(17)
Provided during the year in transferred to Group affiliates	(760)
Provided during the year in relation to prior period (see note 7)	19
At 31 December 2008 (see note 13)	(92)
The company does not have any unprovided deferred tax.	

15. Share capital

	<i>Authorised</i>		<i>Called up, allotted and fully paid</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	1,300	1,300	1,300	1,300

16. Financial commitments

At 31 December the company had annual commitments under non-cancellable operating leases as set out below:

	Land & buildings	
	2008	2007
	£000	£000
Leases which expire:		
between 2 -5 years	95	72
after five years	770	740
	865	812

Notes to the accounts

For the year ended 31 December 2008

17. Reconciliation of reserves and movements in equity shareholder's funds

	<i>Called up share capital</i>	<i>Capital contributions</i>	<i>Profit and loss account</i>	<i>Share- holder's funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2008	1,300	9,850	32,876	44,026
Net adjustment to capital	-	(1,831)	-	(1,831)
Retained profit for the year	-	-	15,354	15,354
At 31 December 2008	1,300	8,019	48,230	57,549

18. Transactions with related parties

The Company has taken advantage of the exemption from related party disclosures available in Paragraph 3(c) of Financial Reporting Standard No. 8 - Related Party Disclosures, as it is a wholly owned subsidiary and the consolidated financial statements of the ultimate parent company are publicly available as in note 19.

19. Ultimate and intermediate parent company

The Company's immediate parent company is BlackRock Group Limited and the ultimate parent company 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 of BlackRock, Inc. are available from the Investor Relations website at www.blackrock.com or requests may be addressed to Investor Relations at 40 East 52nd St, New York, NY 10022, USA or by e-mail at invrel@blackrock.com.