

BlackRock International Limited

Report and Accounts

Year ended 31 December 2009

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Directors' report

The directors present their report and the audited financial statements of BlackRock International Limited (the "Company"), registered number SC160821, for the year ended 31 December 2009. This incorporates the branch BlackRock International Limited, Munich.

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 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 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.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Business review and principal activities

The Company is a wholly-owned subsidiary of BlackRock Group Limited ("BGL") 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 Securities and Exchange Commission. With effect from 1 June 2009 clients from BlackRock Asset Management UK Limited ("BAM") and BlackRock Investment Management International Limited ("BIMI") were transferred into the Company as a result of group reorganisation.

On 11 June 2009 BlackRock, Inc. announced it had executed a purchase agreement to acquire Barclays Global Investors ("BGI"), including its market-leading ETF platform, iShares, from Barclays Bank PLC ("Barclays"). The combination of BlackRock and BGI would bring together market leaders in active and index strategies to create the preeminent asset management firm operating under the name BlackRock.

On 24 June 2009 BlackRock, Inc. received written notice that the Barclays board of directors had accepted BlackRock's offer to acquire BGI. The transaction closed on 1 December 2009 following the receipt of all necessary shareholder and regulatory approvals and satisfaction of other closing conditions, when Barclays transferred its investment management business ("BGI") to BlackRock.

Directors' report

Business Review and Principal Activities (continued)

Effective 30 November 2009 BlackRock Pensions limited which was formally owned by BlackRock Group Limited ("BGL") was acquired by the Company. Effective 1 December 2009, Barclays Global Investors Pensions Management Limited, subsequently renamed BlackRock Asset Management Pensions Limited, which was formally owned by Barclays, was acquired by the Company. These are represented by the investment in subsidiaries balance of £512m.

As shown in the Company's profit and loss account on page 7, the Company's turnover for the year ended 31 December 2009 was £26,755,000 (2008: £10,047,000) an increase of 166%. This is due to a reclassification of transfer pricing income from other income to turnover in the current year, coupled with the transfer of BAM and BIM clients in the second half of 2009 and generally more favourable market conditions.

Administrative expenses have increased by 467% to £13,395,000 (2008: £2,363,000). This is largely due to a foreign exchange loss for the year of £3.5m compared to a foreign exchange gain of £6.5m in 2008.

The balance sheet on page 8 of the financial statements as at 31 December 2009 shows net assets of £423,346,000 (2008: £57,549,000), an increase of 636%. This is due to the new investment in BlackRock Pensions Limited and BlackRock Asset Management Pensions Limited in December 2009.

During 2008 the management of cash was improved by the introduction of an UK cash-pooling arrangement. Surplus or deficit cash from BlackRock group companies is swept into HSBC accounts held by BlackRock Investment Management ("BIM (UK)"). These balances are treated as intercompany loans between BIM (UK) and the corresponding group companies. The surplus cash is then held as short-term money market investments by BGL. The payable to BIM (UK) of £2.06m (2008 receivable: £42.9m) in relation to this arrangement is included within amounts due to/from group companies in notes 12 and 14. Interest generated by this arrangement is recognised within the Company's profit and loss account.

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.

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; and
- 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.

Directors' report

Principal risks and uncertainties (continued)

The Company has low exposures to market risk, credit risk and liquidity risk in relation to financial instruments. The Company has some exposure to currency risk, in relation to the impact 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:

<http://www.blackrock.co.uk/AboutUs/InvestorRelations/index.htm>

Going concern

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 financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1 within the accounting policies note to the financial statements.

Results and dividends

The profit for the year after taxation amounted to £12,391,000 (2008: £15,354,000) and has been transferred to reserves. The directors do not recommend the payment of a dividend.

Tangible fixed assets

Tangible fixed assets of £4,000 (2008: £290,000) 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

The directors who served during the year and up to the date of signing this report were as follows:

S. Carracher
J. DesMarais (appointed 20 August 2009)
R. Fairbairn (resigned 19 March 2009)
N. Hall (resigned 29 May 2009)
R. Kushel (appointed 19 March 2009)

Directors' report

Directors (continued)

Q. Price
C. Thomson

N.C.D. Hall was re-appointed as a non-executive director effective 12 February 2010.

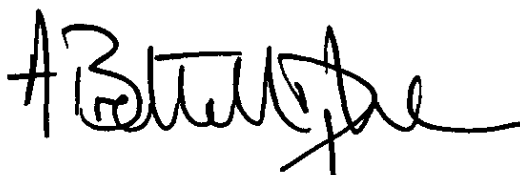
Directors' indemnities

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.

Auditors

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.

This report was approved by the Board on 23 April 2010 and signed on its behalf by:



Adrian Dyke
Company Secretary
40 Torphichen Street
Edinburgh
EH3 8JB

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 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

Opinion on 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 2009 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.



Calum Thomson (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

27 April 2010

Profit and Loss Account

For the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Turnover	3	26,755	10,047
Other income	4	-	8,054
Administrative expenses		(13,395)	(2,363)
Profit on ordinary activities before finance charges	5	13,360	15,738
Other interest receivable and similar income		277	874
Interest payable and similar charges		(610)	(15)
Profit on ordinary activities before taxation		13,027	16,597
Tax on profit on ordinary activities	8	(636)	(1,243)
Profit for the financial year	19	12,391	15,354

The notes on pages 9 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 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Tangible assets	10	1,098	1,609
Investments	11	512,025	-
		<u>513,123</u>	<u>1,609</u>
Current assets			
Debtors	12	35,336	58,044
Investment	13	88	-
Cash at bank		632	769
		<u>36,056</u>	<u>58,813</u>
Creditors: amounts falling due within one year	14	(5,796)	(2,781)
Net current assets		<u>30,260</u>	<u>56,032</u>
Total assets less current liabilities		<u>543,383</u>	<u>57,641</u>
Creditors: amounts falling due after more than one year	15	(120,000)	-
Deferred taxation	16	(37)	(92)
		<u>423,346</u>	<u>57,549</u>
Capital and reserves			
Share capital	17	1,300	1,300
Share premium	19	353,406	-
Capital contributions	19	8,019	8,019
Profit and loss account	19	60,621	48,230
Equity shareholder's funds	19	<u>423,346</u>	<u>57,549</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 23 April 2010 and signed on its behalf by:



R. Kushel
Director

Notes to the accounts

For the year ended 31 December 2009

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Cash flow

The Company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 ("FRS 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.

Tangible fixed assets

Tangible fixed assets are stated at cost and are written down to their estimated residual value on a straight-line basis over their expected useful lives, as follows:

Leasehold property	- fifteen years or term of lease if shorter
Furniture, fittings and equipment	- three to seven years

Investments

Investments held as fixed assets are carried at cost less provision for impairment. Listed investments held as current assets are shown at the lower of cost and market value. Unlisted investments held as current assets are shown at lower of cost and directors valuation.

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.

Notes to the accounts

For the year ended 31 December 2009

1. Accounting policies (continued)

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.

Translation of foreign currencies

Revenues and expenses arising from transactions to be settled in foreign currencies are translated into Sterling at average monthly market rates of exchange. Monetary assets and liabilities are translated into sterling at the market rate of exchange ruling at the balance sheet date. Exchange differences arising from the translation of foreign currencies are reflected in the profit and loss account.

Leases

All leases are operating leases and the annual rentals are charges to the profit and loss account in the accounting period to which they relate.

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 ultimate parent company, BlackRock, Inc. issues equity-settled and cash settled share-based payments to certain employees of the Company.

The fair value of equity settled schemes, long term incentive plan ("LTIP"), restricted stock grants and restricted stock units ("RSUs") are determined at the grant date and 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.

RSUs are an unsecured promise to pay value in the form of BlackRock, Inc. stock. They do not carry voting rights until they are converted to stock. Dividend equivalents are payable quarterly until RSUs convert to shares. An RSU is deemed equivalent in fair market value to one share of common stock. Substantially all awards are settled in shares of common stock. Under these plans, such RSUs are restricted from sale, transfer, or assignment until the end of the restricted period. Such shares and units are subject to forfeiture during the vesting period.

The Company also provides certain employees with the ability to purchase BlackRock, Inc. shares at 95% of the market value at the time of purchase. This amount for the Company is wholly immaterial and therefore has not been considered further in terms of FRS 20.

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 Business Review 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.

Notes to the accounts

For the year ended 31 December 2009

1. Accounting policies (continued)

Going concern (continued)

In assessing the Company's going concern status, the Directors have taken into account the above factors, including the financial position of the Company. 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.

2. Group accounts

The Company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the obligation to prepare and deliver group accounts since the ultimate parent company BlackRock, Inc. prepared group accounts which include the Company. Accordingly, the Company's financial statements presented information about it as an individual undertaking and not about its group.

3. Turnover

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

4. Other income

Other income of £nil (2008: £8,054,000) represents transfer pricing income from other BlackRock group entities, in respect of activities undertaken on their behalf, by the Company. In the current year an amount of £8,748,000 relating to transfer pricing income is reclassified and included as turnover.

5. Profit on ordinary activities before finance charges

This is stated after charging/(crediting) the following:

	2009	2008
	£000	£000
Depreciation of fixed assets	515	624
Operating lease rentals – land and buildings	905	751
Foreign exchange loss/(gain)	3,492	(6,522)
Exceptional Items:		
Redundancy costs	1	76
Auditors' remuneration:		
Payable to Deloitte LLP for the audit of the Company's annual accounts	80	65

Notes to the accounts

For the year ended 31 December 2009

6. Staff costs

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	760	3,586
Social security costs	60	234
Other pension costs	153	287
	<u>973</u>	<u>4,107</u>

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

	<i>2009</i>	<i>2008</i>
	<i>No.</i>	<i>No.</i>
Office and management	<u>30</u>	<u>57</u>

Current year number includes 23 (2008: 47) employees seconded to the Company from BIM (UK).

7. Directors' remuneration

Of the seven (2008: six) directors that served during the year, none were remunerated by the Company (2008: two). The amounts included below relate to their services as directors, for all the directors of the Company based on an estimated time allocation basis. This differs from the 2008 disclosure where only amounts relating to two directors who were remunerated by the Company were disclosed. Emoluments in relation to services performed for other group companies are not disclosed in the Company's financial statements.

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Directors' remuneration		
Emoluments	535	839
Company contributions to defined contribution schemes	5	29
	<u>540</u>	<u>868</u>

	<i>2009</i>	<i>2008</i>
	<i>No.</i>	<i>No.</i>
<i>The number of directors who:</i>		
Are members of defined contribution pension schemes	7	2
Exercised options over shares in the Company	1	1
Had awards receivable in the form of shares under a long-term incentive schemes	7	2

Notes to the accounts

For the year ended 31 December 2009

7. Directors' remuneration (continued)

The highest paid director received emoluments of £258,000 (2008: £468,000).

The value of the Company's contributions to a defined contribution pension scheme in respect of the highest paid director amounted to £1,600 (2008: £15,000).

The total accrued BlackRock defined benefit pension provision of the highest paid director at 31 December 2009 amounted to £nil (2008: £nil).

The highest paid director received BlackRock, Inc. shares under a long term incentive scheme during 2009.

8. Tax on profit on ordinary activities

	<i>2009</i> <i>£000</i>	<i>2008</i> <i>£000</i>
Current tax		
UK Corporation Tax charge	587	1,109
Double tax relief	(587)	(1,109)
	-	-
Foreign tax	691	1,245
	691	1,245
Deferred tax		
Origination and reversal of timing differences in respect of the current period	(28)	17
Origination and reversal of timing differences in respect of previous periods	(27)	(19)
	(55)	(2)
Total deferred tax (see note 16)		
	636	1,243
Total tax on profit on ordinary activities	636	1,243

Notes to the accounts

For the year ended 31 December 2009

8. Tax on profit on ordinary activities (continued)

Factors affecting tax charge:

The tax assessed for the year is lower than (2008: lower than) the standard rate of corporation tax in the UK applicable to the Company 28% (2008: 28.5%).

	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Profit on ordinary activities before tax	13,027	16,597
Profit on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 28% (2008: 28.5%)	3,648	4,731
Expenses not deductible for tax purposes	32	45
Impact of Overseas Taxes	104	136
Deductible amounts in respect of exercise of share options	(188)	(157)
Capital allowances in excess of depreciation	28	90
Other timing differences	-	(52)
Group relief received for nil payment	(2,933)	(3,548)
Total current tax	691	1,245

9. Share based payments

Equity-settled share based schemes

The ultimate parent company issues restricted stock grants and restricted stock units ("RSUs") to certain employees of the Company. The RSUs will be converted into shares of the ultimate holding company, BlackRock, Inc. on each of the vesting dates. 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 periods for each separately vested 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 RSUs.

LTIPs are also issued by the ultimate parent company to executive officers and managers which are accounted for on an equity-settled basis. The vesting period is 56 – 60 months. 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, RSUs and LTIPs at their grant-date fair value as measured by BlackRock's common stock price.

The Company recognised total expenses of £ nil (2008: £0.3m) related to other equity-settled share-based payment transactions.

Notes to the accounts

For the year ended 31 December 2009

10. Tangible fixed assets

	<i>Leasehold property</i>	<i>Furniture, fixtures and equipment</i>	<i>Total</i>
	£000	£000	£000
Cost			
At 1 January 2009	2,007	2,860	4,867
Additions	-	4	4
Disposals	-	(906)	(906)
At 31 December 2009	2,007	1,958	3,965
Depreciation			
At 1 January 2009	1,059	2,199	3,258
Charge for year	201	314	515
Accumulated depreciation on disposal	-	(906)	(906)
At 31 December 2009	1,260	1,607	2,867
Net book value			
At 31 December 2009	747	351	1,098
At 31 December 2008	948	661	1,609

11. Fixed assets investment

The following are newly acquired subsidiary undertakings of the Company and are incorporated in the United Kingdom unless otherwise stated:

Name	Holdings (%)	Principal activity
BlackRock Asset Management Pensions Limited	100%	Unit – linked group pensions business
BlackRock Pensions Limited	100%	Provider of investment management policies for occupational pension schemes

BlackRock Asset Management Pensions Limited has audited aggregate capital and reserves of £38,328,000 as at 31 December 2009 and a profit of £15,280,000 for the year then ended.

BlackRock Pensions Limited has audited aggregate capital and reserves of £23,573,000 as at 31 December 2009 and profit of £3,436,000 for the year ended.

The directors are of the opinion that the value of the subsidiaries is not less than the amount at which they are included in the financial statements.

Notes to the accounts

For the year ended 31 December 2009

11. Fixed assets investment (continued)

Subsidiary undertakings	2009 £000
Cost	
At 1 January	-
Additions	512,025
At 31 December	512,025

12. Debtors

	2009 £000	2008 £000
Trade debtors	10,639	7,370
Prepayments and accrued income	145	285
Other debtors	350	428
Corporation Tax recoverable	7,208	7,208
Amounts owed by group companies	16,994	42,753
	35,336	58,044

13. Current asset investment

	2009 £000	2008 £000
Listed investment	88	-

Listed Investments

The market value of the listed investment at 31 December 2009 was £87,521, (2008: £nil)

14. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	23	41
Accruals	911	762
Amounts owed to group companies	2,909	974
Other taxes and social security costs	120	17
Corporate tax liability	1,833	987
	5,796	2,781

Notes to the accounts

For the year ended 31 December 2009

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

	2009	2008
	£000	£000
Subordinated debt	120,000	-

On 1 December 2009 the Company received £120,000,000 on loan from BlackRock Finance Europe Limited. The loan is GBP denominated and bears a fixed rate interest at 3.06% and interest is paid semi-annually. The loan is repayable at maturity on 30 September 2018.

16. Deferred taxation

	2009	2008
	£000	£000
At 1 January	(92)	666
Provided during the year in relation to current period (see note 8)	28	(17)
Provided during the year and transferred to Group affiliates	-	(760)
Provided during the year in relation to prior period (see note 8)	27	19
At 31 December	(37)	(92)

The Company does not have any un-provided deferred tax.

The deferred tax liability is made up as follows:

	2009	2008
	£000	£000
Fixed asset timing differences	37	92

17. Share capital

	<i>Called up, allotted and fully paid</i>	
	2009	2008
Ordinary shares of £1 each	1,300,002	1,300,000

On 30 November 2009 BlackRock Group Limited subscribed for 1 fully paid ordinary share of £1 in the capital of the Company which was issued at a premium of £14,999,999.

On 1 December 2009 BlackRock Group Limited subscribed for 1 fully paid ordinary share of £1 in the capital of the Company which was issued at a premium of £338,406,029.

Notes to the accounts

For the year ended 31 December 2009

18. Financial commitments

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

	Land and buildings	
	2009	2008
	£000	£000
Expiry date:		
Within 1 year	63	-
Between 2 -5 years	-	95
After 5 years	855	770
	918	865

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

	<i>Called up share capital</i>	<i>Share Premium</i>	<i>Capital contributions</i>	<i>Profit and loss account</i>	<i>Share- holder's funds</i>
	£000	£000	£000	£000	£000
At 1 January 2009	1,300	-	8,019	48,230	57,549
Share premium issued during the year	-	353,406	-	-	353,406
Retained profit for the year	-	-	-	12,391	12,391
At 31 December 2009	1,300	353,406	8,019	60,621	423,346

20. 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 stated in note 21.

21. 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.