

Registered number. 951043

BLACKROCK GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2009**

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BLACKROCK GROUP LIMITED

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BLACKROCK GROUP LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2009

The directors present their report and the audited financial statements of BlackRock Group Limited (the "Company"), registered number 951043, for the year ended 31 December 2009

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 judgements and accounting 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 to 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 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 acts as the United Kingdom holding company of the BlackRock group of companies. The group is engaged in the provision of investment management and advisory services. There have not been any significant changes in the Company's principal activities in the period under review. The directors propose that the principal activities will continue during 2010.

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

On 24 June 2009 BlackRock 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.

During 2009, as a result of the BGI acquisition, BlackRock Group Limited restructured its investments in subsidiaries. Please refer to note 8, "Fixed Asset Investments", for details.

BLACKROCK GROUP LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2009

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES (continued)

The balance sheet on page 7 of the financial statements as at 31 December 2009 shows net assets of £2,205,172,000 (2008 £245,732,000), an increase of 797%. This is in line with management's expectations and driven by new investments as a result of the BGI acquisition.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties are managed by 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.

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") as required by the Financial Services Authority ("FSA"). 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 the Company'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:

www.blackrock.co.uk/AboutUs/InvestorRelations/index.htm

BLACKROCK GROUP LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2009

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 1.8 within the Accounting Policies note to the financial statements.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £188,214,000 (2008: £269,073,000).

During the year the Company paid dividends of £118,692,000 (2008: £312,170,000). Subsequent to year end the Company paid dividends of £86,000,000. Refer to note 17 for further detail on the dividends paid.

DIRECTORS

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

N J Charrington (appointed 23 September 2010)

J F DesMarais (appointed 9 May 2009)

R W Fairbairn (resigned 19 March 2009)

N C D Hall (resigned 29 May 2009)

J R Kushel (appointed 29 January 2009)

Q R S Price

R C Tooze

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 September 2010 and signed on its behalf by



A.B. Dyke
Company Secretary
33 King William Street
London
EC4R 9AS

BLACKROCK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKROCK GROUP LIMITED

We have audited the financial statements of BlackRock Group Limited (the "Company") for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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 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 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.

BLACKROCK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKROCK GROUP 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

29 September 2010

BLACKROCK GROUP LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2009**

	Note	2009 £000	2008 £000
Administrative expenses		(8,770)	(24,523)
Profit on disposal of current investments		13,967	2,379
Amounts written back/(off) on current investments		1,259	(1,599)
OPERATING PROFIT/(LOSS)	3	6,456	(23,743)
Dividends received from investments in group companies		185,496	288,039
Other interest receivable and similar income	4	1,953	4,090
Interest payable and similar charges	5	(4,601)	(5,226)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		189,304	263,160
TAX ON PROFIT ON ORDINARY ACTIVITIES	6	(1,090)	5,913
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		188,214	269,073

Operating profit/(loss) derive wholly from continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 8 to 19 form an integral part of these financial statements

BLACKROCK GROUP LIMITED

BALANCE SHEET
As at 31 December 2009

	Note	£000	2009 £000	£000	2008 £000
FIXED ASSETS					
Investments	8		2,230,654		287,762
CURRENT ASSETS					
Debtors	9	87,031		42,737	
Investments	10	268,357		410,430	
Cash at bank		317		22	
			<u>355,705</u>	<u>453,189</u>	
CREDITORS					
Amounts falling due within one year	11	(381,000)		(495,219)	
NET CURRENT LIABILITIES			<u>(25,295)</u>		<u>(42,030)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,205,359</u>		<u>245,732</u>
PROVISION FOR LIABILITIES					
Deferred taxation	7		(187)		-
NET ASSETS			<u><u>2,205,172</u></u>		<u><u>245,732</u></u>
CAPITAL AND RESERVES					
Called up share capital			235,166		112,166
Capital redemption reserve			7,029		7,029
Share premium account	15		1,766,918		-
Profit and loss account	15		196,059		126,537
SHAREHOLDERS' FUNDS	16		<u><u>2,205,172</u></u>		<u><u>245,732</u></u>

The notes on pages 8 to 19 form an integral part of these financial statements

The financial statements were approved by the Board on 23 September 2010 and signed on its behalf by


N.J. Charrington
Director

NOTES TO THE FINANCIAL STATEMENTS
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.

1.1 Basis of accounting

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

1.2 Accounting convention

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

1.3 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.

1.4 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.

1.5 Group accounts

The Company has taken advantage of the exemption in Section 401 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 present information about it as an individual undertaking and not about its group.

1.6 Investments

Investments held as fixed assets are stated at cost less provision for impairment. Investments held as current assets are shown at the lower of cost and market value.

BLACKROCK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2009

1. ACCOUNTING POLICIES (continued)

1.7 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 rates 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.

1.8 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 in the Directors' Report, along with key risks facing the Company. The financial statements include the financial and cash position of the Company in the balance sheet.

In assessing the Company's going concern status, the directors have taken into account the above factors, including the financial position of the Company and in particular the significant net assets position. The Company has, at the date of this report, sufficient existing finances available for its estimated requirements for the next twelve months. This 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. PRINCIPAL ACTIVITIES

The Company is the holding company of a number of group entities engaged in the provision of investment management and advisory services.

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging the following

	2009 £000	2008 £000
Loss on foreign exchange	6,162	24,522

During the year, no director received any emoluments in respect of qualifying services to the Company (2008: £nil). The Company had no employees in the current or preceding year.

Auditors' remuneration has been borne by another group company in the current and preceding year. Fees payable to the Company's auditors, Deloitte LLP for the audit of the Company's annual accounts were £24,624 (2008: £29,664). Fees paid to the Company's auditors and its associates for services other than the statutory audit are not disclosed in BlackRock Group Limited accounts since the consolidated accounts of its ultimate parent, BlackRock, Inc., are required to disclose non-audit fees on a consolidated basis.

BLACKROCK GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2009**4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	2009	2008
	£000	£000
Other interest receivable and similar income		
- From other sources	1,302	4,090
- From group companies	651	-
	1,953	4,090

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£000	£000
Interest payable and similar charges		
- To group companies	4,601	5,226

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	£000	£000
The tax for the year is as follows:		
Current tax (note below)		
UK corporation tax (credit)/charge on profit for the year	(1,544)	5,039
Adjustments in respect of prior periods	(236)	81
Double taxation relief	-	(8,350)
Total current tax	(1,780)	(3,230)
Deferred tax		
Origination and reversal of timing differences in current year	2,870	(2,315)
Origination and reversal of timing differences in prior periods	-	(368)
Total deferred tax (note 7)	2,870	(2,683)
Tax on profit on ordinary activities	1,090	(5,913)

BLACKROCK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**Factors affecting tax charge for year**

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

	2009	2008
	£000	£000
Profit on ordinary activities before tax	189,304	263,160
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	53,005	75,001
Effects of		
Non taxable income	(51,939)	(75,626)
UK tax on foreign subsidiaries	70	215
Relief for overseas taxation	-	(5,927)
Movements in other short term timing differences not recognised	(3,405)	3,026
Adjustments to tax charge in respect of prior periods	(236)	81
Non deductible expenses	725	-
Current tax credit for year (note above)	(1,780)	(3,230)

7. DEFERRED TAXATION

	2009	2008
	£000	£000
At beginning of year	(2,683)	-
Charge/(credit) for the year relating to the current period	2,870	(2,315)
Credit for the year relating to the prior period	-	(368)
At end of year	187	(2,683)
The deferred tax liability/(asset) is made up as follows		
	2009	2008
	£000	£000
Short term timing differences	187	(2,683)

The 2008 deferred tax asset is included in "Debtors" note 9. A deferred tax asset has not been recognised in respect of timing differences relating to the tax treatment of investments. At 31 December 2009, the deferred tax asset not provided by the Company was £414,704 (2008 £767,085)

BLACKROCK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2009

8 FIXED ASSET INVESTMENTS

	Investments in subsidiary undertakings £000	Other investments £000	Total £000
Cost			
At 1 January 2009	287,762	-	287,762
Additions	1,842,239	128,078	1,970,317
Disposals	(27,425)	-	(27,425)
At 31 December 2009	<u>2,102,576</u>	<u>128,078</u>	<u>2,230,654</u>

Additions

Effective 7 September 2009, BlackRock Luxembourg Holdco S a r l was incorporated as a subsidiary of the Company with share capital of £20,000. On 1 December 2009, BlackRock Luxembourg Holdco S a r l issued to the Company 33,380 fully paid ordinary shares of £160 each at a premium of £48,041,487. Effective 24 November 2009, the Company contributed all of the outstanding shares of the ownership of BlackRock Investment Management (Dublin) Limited to BlackRock Luxembourg Holdco S a r l, in exchange for 2,862 fully paid ordinary shares of £160 each at a premium of £4,122,046 in BlackRock Luxembourg Holdco S a r l. Effective 19 November 2009, the Company contributed all of the outstanding shares of the ownership of BlackRock (Luxembourg) S A to BlackRock Luxembourg Holdco S a r l at a cost of £7,845,202.

Effective 13 November 2009, BlackRock Finance Europe Limited was incorporated as a subsidiary of the Company with share capital of £100. On 1 December 2009, BlackRock Finance Europe Limited issued to the Company 1 fully paid ordinary share of £1 at a premium of £389,999,999.

Effective 26 November 2009, the Company contributed all of the outstanding shares of BlackRock Pensions Limited to BlackRock International Limited, in exchange for 1 fully paid ordinary share of £1 at a premium of £14,999,999 in BlackRock International Limited.

On 1 December 2009, BlackRock International Limited issued to the Company 1 fully paid ordinary share of £1 at a premium of £338,406,029.

On 1 December 2009, BlackRock Investment Management (UK) Limited issued to the Company 1 fully paid ordinary share of £1 at a premium of £94,256,223.

On 1 December 2009, the Company acquired Barclays Global Investors Limited for a consideration of £916,650,060. Subsequently, the name was changed to BlackRock Advisors (UK) Limited.

On 1 December 2009, the Company acquired Barclays Global Investors Services Limited for a consideration of £22,099,063. Subsequently, the name was changed to BlackRock Asset Management Investor Services Limited.

On 1 December 2009, BlackRock Asset Management UK Limited issued preference shares of £128,078,118 to the Company.

BLACKROCK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2009

8 FIXED ASSET INVESTMENTS (continued)

Disposals

Effective 24 November 2009 and 19 November 2009, the Company contributed all of the outstanding shares of BlackRock Investment Management (Dublin) Limited and BlackRock (Luxembourg) S A to BlackRock Luxembourg Holdco S a r l at a cost of £4,579,966 and £7,845,202 respectively

Effective 26 November 2009, the Company contributed all of the outstanding shares of BlackRock Pensions Limited to BlackRock International Limited at a cost of £15,000,000

Subsidiary undertakings

The Company has investments in the following subsidiary undertakings as at 31 December 2009. The proportion of ordinary shares in each subsidiary held by the Company is listed below. Subsidiaries are incorporated in the United Kingdom unless otherwise stated. To avoid a statement of excessive length, details of the investments which are not significant have been omitted.

Name	Holdings (%)	Principal activity
Subsidiaries directly held		
BlackRock Investment Management (UK) Limited	100%	Provider of investment management services
Mercury Carry Company Limited	100% *	Founding and limited partner in limited partnership
BlackRock Asset Management UK Limited	100%	Provider of investment management services
BlackRock International Limited	100%	Provider of investment management services
BlackRock (Netherlands) B V	100% **	Provider of investment management services
BlackRock Fund Management Company S A	100% ***	Unit trust management
BlackRock Finance Europe Limited	100%	Holding company
BlackRock Luxembourg Holdco S a r l	100% ***	Holding company
BlackRock Advisors (UK) Limited	100%	Provider of investment management services
BlackRock Asset Management Investor Services Limited	100%	Provider of central group services for BlackRock Asset Management's European operations
Subsidiaries indirectly held		
BlackRock Fund Managers Limited	100%	Provider of investment management services
BlackRock Investment Management International Limited	100%	Provider of investment management services
BlackRock German Holdco GmbH	100% ♦	Holding company
BlackRock Unit Trust Managers Limited	100%	Dormant
BlackRock Asset Management Schweiz AG	100% ♦♦	Sales and marketing services
BlackRock Investment Management (Korea) Limited	100% ♦♦♦	Provider of investment management services
BlackRock Asset Management Deutschland AG	100%	Fund manager
BlackRock Holdings Deutschland Zwei GmbH	100% ♦	Holding company
BlackRock Investor Services Deutschland GmbH	100% ♦	In liquidation

BLACKROCK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2009

8. FIXED ASSET INVESTMENTS (continued)

Name	Holdings (%)	Principal activity
BlackRock (Luxembourg) S A	100% ***	Provider of investment management services
BlackRock Investment Management Ireland Holdings Limited	100% ****	Holding company
BlackRock Investment Management (Dublin) Limited	100% ****	Provider of investment management services
BlackRock Asset Management Ireland Limited	100% ****	Manager of collective investment schemes
BlackRock Pensions Limited	100%	Provider of investment management policies for occupational pension schemes
BlackRock Asset Management Pensions Limited	100%	Provider of investment management policies for unit linked pension schemes
* Incorporated in Isle of Man		
** Incorporated in the Netherlands		
*** Incorporated in Luxembourg		
**** Incorporated in Ireland		
* Incorporated in Germany		
♦♦ Incorporated in Switzerland		
♦♦♦ Incorporated in the Republic of Korea		

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

9 DEBTORS

	2009 £000	2008 £000
Trade debtors	-	7,371
Withholding tax receivable	-	5,711
Group relief receivable from group companies	4,207	2,428
Amounts owed by group companies	82,824	24,544
Deferred tax asset (note 7)	-	2,683
	<u>87,031</u>	<u>42,737</u>

BLACKROCK GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2009**10 CURRENT ASSET INVESTMENTS**

	2009	2008
	£000	£000
Listed investments	29,406	49,303
Unlisted investments	238,951	361,127
	268,357	410,430

Listed investments

The market value of the listed investments at 31 December 2009 was £32,104,990 (2008 £62,983,838)

Unlisted investments

During 2008 cash management within the BlackRock group was improved by the introduction of a UK cash-pooling arrangement. Surplus cash from BlackRock group companies is swept into HSBC accounts held by BlackRock Investment Management (UK) Limited ("BIM (UK)"). BIM (UK) then lends this cash to the Company, which in turn invests it by purchasing highly liquid short term money market instruments. Due to the short term nature of the money market investments, market value is considered immaterially different from cost.

11. CREDITORS**Amounts falling due within one year**

	2009	2008
	£000	£000
Amounts owed to group companies	380,568	494,222
Other creditors	432	997
	381,000	495,219

Included in 'Amounts owed to group companies' is £266,035,304 (2008 £326,456,193) payable from the Company to BIM (UK) in relation to the UK cash-pooling arrangement. Refer to note 10 for further detail on the cash-pooling arrangement.

BLACKROCK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2009

12. RELATED PARTY TRANSACTIONS

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 noted below (see note 18)

There were no related party transactions other than those with group companies covered by the exemption noted above

13. DIVIDENDS

	2009 £000	2008 £000
Total dividends paid	118,692	312,170
	<u>118,692</u>	<u>312,170</u>

14. SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid		
2,351,663,971 (2008 1,121,663,971) Ordinary Shares of 5p each	117,583,199	56,083,199
2,351,663,971 (2008 1,121,663,971) Participating Preference shares of 5p each	117,583,199	56,083,199
	<u>235,166,398</u>	<u>112,166,398</u>

On 1 December 2009, BlackRock International Holdings, Inc contributed all of its ordinary shares in the Company to BlackRock Jersey International Holdings L P

On 1 December 2009, BlackRock Jersey International Holdings L P contributed £94,495,920 to the Company in exchange for additional shares, 1,230,000,000 ordinary shares of £0.05 each at a premium of £32,995,920

On 1 December 2009, BlackRock Finco UK Limited contributed £1,795,422,478 to the Company in exchange for additional shares, 1,230,000,000 participating preference shares of £0.05 each at a premium of £1,733,922,478

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2009

14 SHARE CAPITAL (continued)

Rights of Shareholders
Voting Rights

The Ordinary Shares and the Participating Preference Shares shall entitle the holders to attend and vote at the meetings of the Company

At such meetings, on a resolution being considered on a show of hands each member present in person shall have one vote, and on a poll each member shall have nine votes for each Ordinary Share held by it and one vote for each Participating Preference Share held or if a Participating Preference Share is held by a person other than (a) BlackRock Finco UK Limited, or (b) any company which is not itself both (i) incorporated and resident for tax purposes outside the European Economic Area ("EEA") and (ii) all of whose holding companies are incorporated and resident for tax purposes outside the EEA (residence for tax purposes being determined in accordance with the laws of England) or (c) any company which acquires such shares on or before 31 March 2007 nine votes for each Participating Preference Shares held by it

Dividend Rights

Subject to the Company having profits available for distribution in accordance with the Companies Act 2006, on 30 June and 31 December each year but conditional upon the directors having resolved to pay such a dividend (without the need for declaration of a dividend by the Company in general meeting), the Company will pay to the holders of the Participating Preference Shares a fixed preferential dividend of 5 5p for each Participating Preference Share held on that date provided that a regulatory deficit would not thereby occur

In the event that on a dividend payment date the Company has insufficient distributable profits to pay any fixed dividend or to the extent that to pay such dividend would cause a regulatory deficit to occur the Company shall, conditional upon the directors having resolved to pay such a dividend, pay by way of dividend the maximum amounts it may pay from such reserves and without causing a regulatory deficit to occur to the holders of the Participating Preference Share pro rata to the number of such shares they may hold on that date

Any amount of fixed preferential dividend not paid for any reason whatsoever shall accumulate and be paid as part of the fixed dividend on the next payment date

Subject to (a) the Board recommending the payment of dividends (b) the Company having profits available for distribution within the meaning of the Companies Act 2006, any available profits which the Company may determine to distribute in respect of any financial year after the payment of all the fixed dividends and the additional dividends shall be distributed as to 10 per cent to the holders of the Ordinary Shares and as to 90 per cent to the holders of the Participating Preference Shares, in each case pro rata according to the number of such shares held by the holders

Return of Capital Rights, Variation of Class Rights

On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed in the following order of priority (a) to the holders of the Participating Preference Shares until any arrears of the fixed dividends and the additional dividends have been discharged in full, (b) thereafter to the holders of the Ordinary Shares and the Participating Preference Shares pro rata to the number of shares held until they have received 5p for each share held, and (c) thereafter as to 10 per cent amongst the holders of the Ordinary Shares and as 90 per cent amongst the holders of the Participating Preference Shares, in all cases pro rata according to the number of the relevant class of shares held by the holders

BLACKROCK GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2009**15. RESERVES**

Share premium account	£000
At 1 January 2009	-
Premium on ordinary shares issued during the year (note 14)	32,996
Premium on participating preference shares issued during the year (note 14)	1,733,922
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At 31 December 2009	1,766,918
	<hr/>
Profit and loss account	£000
At 1 January 2009	126,537
Profit retained for the year	188,214
Dividends paid	(118,692)
	<hr/>
At 31 December 2009	196,059
	<hr/>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009	2008
	£000	£000
Profit for the year	188,214	269,073
Dividends	(118,692)	(312,170)
	<hr/>	<hr/>
	69,522	(43,097)
Ordinary shares issued during the year	61,500	-
Participating preference shares issued during the year	61,500	-
Share premium on ordinary shares issued during the year	32,996	-
Share premium on participating preference shares issued during the year	1,733,922	-
	<hr/>	<hr/>
	1,959,440	(43,097)
Opening shareholders' funds	245,732	288,829
	<hr/>	<hr/>
Closing shareholders' funds	2,205,172	245,732
	<hr/>	<hr/>

BLACKROCK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 December 2009**

17. POST BALANCE SHEET EVENTS

Dividends

On 27 April 2010 the Company declared a preference share dividend of £54 million

On 28 June 2010 the Company declared a preference share dividend of £32 million

Changes to Participating Preference Share Terms

The Participating Preference Shares of £0.05 each in the capital of the Company were redesignated as Non-cumulative Participating Preference Shares which have the right to 95 per cent of any dividend. The Ordinary Shares have the right to 5 per cent of any dividend. On a poll, each member has nine votes for each Ordinary Share held and one vote for each Non-cumulative Participating Preference Share held. On a return of capital, 5 per cent of any surplus assets of the Company shall be distributed to the holders of the Ordinary Shares and the remaining 95 per cent to the holders of the Non-cumulative Participating Preference Shares, in each case pro rata to the number of shares held.

The provisions of the Company's memorandum of association which were redundant under the Companies Act 2006 were also deleted.

18. PARENT UNDERTAKINGS

The Company's immediate parent company is BlackRock Jersey International Holdings L.P. (2008 BlackRock International Holdings, Inc.) 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.