

Registration number: 2793079

BlackRock Asset Management Investor Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2013

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BlackRock Asset Management Investor Services Limited

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BlackRock Asset Management Investor Services Limited

Strategic Report for the Year Ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

Fair review of the business

BlackRock Asset Management Investor Services Limited (the "Company") is part of BlackRock, Inc. ("BlackRock"), a leading global asset management firm with USD 4.324 trillion in assets under management as at 31 December 2013. BlackRock offers a range of products across the risk spectrum to meet clients' needs, including active, enhanced and index strategies across markets and asset classes. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors. The directors are confident that this diversity in BlackRock's business model will continue to capture asset flows and revenues in 2014. There have not been any significant changes in the Company's principal activities in the period under review and the directors propose that the principal activities will continue during 2014.

Areas of Strategic focus

The Company, as part of the global group, will seek to support the achievement of the global mission of creating a better financial future for its clients through focusing on the following strategic areas:

- iShares Exchange Traded Funds
- Outcome investing
- Retirement solutions
- Income investment
- Alternatives
- Emerging Markets

Going concern

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

Turnover

The Company charges fees for the provision of central group services to BlackRock Advisors (UK) Limited. Fees are levied on the total of administrative expenses at cost plus a margin. Turnover has declined by £9.8m from £111.9m in 2012 to £102.1m in 2013, which is due to the decrease in administration expenses in the year.

Administrative expenses

Administrative expenses have decreased by £9.7m from £110.8m in 2012 to £101.1m in 2013. This decrease has been driven by lower headcount in 2013.

Profit after tax

Profit after tax increased by £1.6m from a loss of £0.8m in 2012 to a profit of £0.8m in 2013.

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

BlackRock Asset Management Investor Services Limited
Strategic Report for the Year Ended 31 December 2013

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Principal risks and uncertainties

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

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

Operational Risk

- One of the major risks faced by the Company is operational risk, which is the risk of direct or indirect impacts resulting from inadequate or failed internal processes, people and systems, or from external events. The Company has a well-established risk management framework that provides appropriate control and oversight over risk management arrangements. The risk management framework supports the firm's fiduciary obligations to clients and mitigates the potential impacts of poor customer outcomes. The strong management of risk also ensure that disruptions to delivering client services are at a minimum.

- The Company also considers risk management when setting remuneration policies and practices to govern those staff whose professional activities could potentially have a material impact on the Company's risk profile. Whilst employees are compensated for strong performance in their management of client portfolios, they are required to manage risk within the risk profiles appropriate for their clients.

The list of Remuneration Code Staff is reviewed and agreed by the EMEA Compensation Committee, the Management Development and Compensation Committee, the EMEA Executive Committee and BlackRock, Inc.'s board of directors to ensure a culture of excellence, monitor the business and financial performance and protect the brand and reputation of the firm.

Balance Sheet risk

- Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due. The Company monitors cash flow projections and has regard to forthcoming liquidity when determining the amounts available for distribution to shareholders.

- Credit risk is the risk that a client will be unable to pay amounts in full when due. Credit risk is not considered to be a material risk in that the majority of the risks are in relation to intergroup relationships related to service charges, cash deposits and intercompany loans.

Market risk

- Foreign exchange risk arises where the Company's foreign currency assets are not matched by liabilities denominated in the same currency. The Company bears an exchange rate risk in relation to the US Dollar, notably through outstanding liabilities payable to other fellow subsidiaries and a long term incentive plan denominated in US Dollars.

- Interest rate risk relates only to the possibility that income from the Company's interest-bearing financial assets will fluctuate as interest rates fluctuate. The Company is therefore only exposed to interest rate risk arising from holdings of surplus cash on deposit. Interest arising on such deposits is not significant. The Company does not have any borrowings and so does not have any interest payable commitments.

Capital management

The Company's objectives when managing capital are:

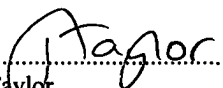
- to safeguard the Company's ability to continue as a going concern;
- to maintain financial strength to support new business growth.

The Company takes into account the amount of its distributable reserves and its cash flow position when making any decision to pay a dividend, thus ensuring that the Company is able to continue as a going concern.

BlackRock Asset Management Investor Services Limited
Strategic Report for the Year Ended 31 December 2013

..... continued

Approved by the Board on 30 May 2014 and signed on its behalf by:


.....
J Taylor
Company secretary

BlackRock Asset Management Investor Services Limited
Directors' Report for the Year Ended 31 December 2013

The board of directors (the "Board") present their report together with the audited financial statements of BlackRock Asset Management Investor Services Limited (registered number: 2793079) for the year ended 31 December 2013.

Principal activity

The principal activity of the Company remains the provision of central group services.

Dividends

Interim dividends of £nil were paid in 2013 (2012: £4.0m). The directors do not recommend the payment of a final dividend (2012: £nil).

Directors and Officers of the company

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

K Dennehy

A Sievwright (appointed 1 December 2013)

R Tooze (resigned 1 December 2013)

Officers:

A Caban - Company secretary

J Taylor - Company secretary

BlackRock Asset Management Investor Services Limited
Directors' Report for the Year Ended 31 December 2013

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Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' third-party indemnity provisions

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were accordingly in force during the course of the financial year ended 31 December 2013 for the benefit of the then directors and, at the date of this report, are in force for the benefit of the directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

Employee consultation

It is the Company's policy that there should be effective communication with all employees who, subject to practical and commercial considerations, should be consulted on and involved in decisions that affect their current jobs or future prospects.

Disabled employees

Applications for employment by disabled persons are fully and fairly considered having regard to the aptitudes and abilities of each applicant. Efforts are made to enable any employees who become disabled during employment to continue their careers with the Company. Training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled.

BlackRock Asset Management Investor Services Limited
Directors' Report for the Year Ended 31 December 2013

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Independent Auditor

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 auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director, in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is 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.

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

Approved by the Board on 30 May 2014 and signed on its behalf by:

.....
J Taylor
Company secretary

Independent Auditor's Report to the Members of BlackRock Asset Management Investor Services Limited

We have audited the financial statements of BlackRock Asset Management Investor Services Limited for the year ended 31 December 2013, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Reconciliation of Movement in Shareholders' Funds, Balance Sheet, and the related notes set out on pages 13 to 26. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent Auditor's Report to the Members of
BlackRock Asset Management Investor Services Limited**

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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.



.....
Stuart McLaren (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Chartered Accountants and Statutory Auditors

London
United Kingdom

30 May 2014

BlackRock Asset Management Investor Services Limited
Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 £ 000	2012 £ 000
Turnover		102,106	111,930
Administrative expenses		<u>(101,094)</u>	<u>(110,821)</u>
Operating profit	3	1,012	1,109
Interest receivable and similar income	5	<u>-</u>	<u>14</u>
Profit on ordinary activities before taxation		1,012	1,123
Tax on profit on ordinary activities	6	<u>(180)</u>	<u>(1,966)</u>
Profit/(loss) on ordinary activities after taxation		<u><u>832</u></u>	<u><u>(843)</u></u>

Turnover and operating profit derive wholly from continuing operations.

The notes on pages 13 to 26 form an integral part of these financial statements.

BlackRock Asset Management Investor Services Limited
Statement of Total Recognised Gains and Losses for the Year Ended 31 December 2013

	2013 £ 000	2012 £ 000
Profit/(loss) for the financial year	832	(843)
Actuarial gain/(loss) relating to post retirement medical commitment	287	(125)
Movement on deferred tax relating to actuarial (gain)/loss	(57)	29
Movement on deferred tax relating to changes in the tax rate	(21)	(10)
Historical actuarial gains relating to post retirement medical commitment	<u>68</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>1,109</u>	<u>(949)</u>

The notes on pages 13 to 26 form an integral part of these financial statements.

BlackRock Asset Management Investor Services Limited
Reconciliation of Movement in Shareholders' Funds for the Year Ended 31 December
2013

	Share Capital £ 000	Other reserves £ 000 (*)	Profit and loss account £ 000	Total £ 000
At 1 January 2012	-	16,926	6,519	23,445
Profit for the year	-	-	(843)	(843)
Dividends paid	-	-	(4,000)	(4,000)
Actuarial loss on post retirement medical commitment, net of deferred tax	-	-	(106)	(106)
Capital contribution relating to share-based payments	-	-	389	389
Movement in employee equity settled share schemes	-	5,301	-	5,301
At 31 December 2012	-	22,227	1,959	24,186
At 1 January 2013	-	22,227	1,959	24,186
Profit for the year	-	-	832	832
Actuarial gain on post retirement medical commitment, net of deferred tax	-	-	277	277
Deemed distribution relating to share-based payments	-	-	(2,363)	(2,363)
Movement in employee equity settled share schemes	-	(7,344)	-	(7,344)
At 31 December 2013	-	14,883	705	15,588

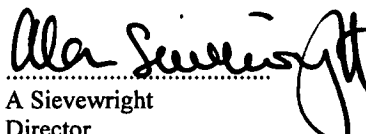
The Share Capital of £2 is fully allocated and paid up throughout the above periods.

(*) Other reserves relate to equity settled share schemes (see note 13).

BlackRock Asset Management Investor Services Limited
Balance Sheet at 31 December 2013

	Note	2013 £ 000	2012 £ 000
Current assets			
Debtors	8	70,136	90,445
Creditors: Amounts falling due within one year	10	<u>(52,696)</u>	<u>(64,243)</u>
Total assets less current liabilities		17,440	26,202
Provisions for liabilities and charges	11	<u>(1,491)</u>	<u>(1,491)</u>
Net assets excluding pension liability		15,949	24,711
Retirement benefit liability	14	<u>(361)</u>	<u>(525)</u>
Net assets		<u>15,588</u>	<u>24,186</u>
Share capital and reserves			
Called up share capital	12	-	-
Other reserves		14,883	22,227
Profit and loss account		<u>705</u>	<u>1,959</u>
Shareholders funds		<u>15,588</u>	<u>24,186</u>

Approved by the Board on 30 May 2014 and signed on its behalf by:


A Sievewright
Director

BlackRock Asset Management Investor Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

1 Reporting entity

These financial statements are prepared for BlackRock Asset Management Investor Services Limited, (the "Company"), the principal activity of which is the provision of central group services. The Company is a wholly-owned subsidiary of BlackRock Group Limited ("BGL") and its ultimate parent company is BlackRock, Inc., a listed company incorporated in the state of Delaware in the United States of America.

The Company is a private limited company, incorporated in Great Britain. The Registered Office is 12 Throgmorton Avenue, London, EC2N 2DL.

2 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Review on pages 1 to 3 of the Annual Report, along with the 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. 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.

Cash flow

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

The Company charges fees for the provision of central group services to BlackRock Advisors (UK) Limited. Fees are levied on the total of administrative expenses at cost plus a margin. All revenue has been recognised on an accrual basis net of VAT.

BlackRock Asset Management Investor Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

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Pensions

The Company participates in a defined contribution pension 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. The Company also operates the Post-Retirement Medical Commitment scheme.

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

For defined benefit schemes the amounts charged to operating profit are the current service and finance costs. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Other post retirement benefits

The cost of providing post-retirement benefits other than pensions is charged to the profit and loss account over the estimated average remaining service life of employees, based on advice from external actuaries.

Foreign currency

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

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 in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax assets are recognised to the extent that they are regarded as recoverable and where future taxable profits are anticipated.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

BlackRock Asset Management Investor Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

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Share-based payments

The Company has applied the requirements of FRS 20 Share-based Payment 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 share-based payments to certain employees of the Company. The fair values 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. For all awards granted prior to 1 January 2009, dividend equivalents are payable quarterly until RSUs convert to shares. For all RSUs granted post 1 January 2009, employees receive dividend equivalents when the award vests. 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.

BlackRock Asset Management Investor Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

..... *continued*

3 Operating profit

Operating profit is stated after charging / (crediting):

	2013 £ 000	2012 £ 000
Foreign currency losses/(gains)	<u>306</u>	<u>(118)</u>

Auditor's remuneration has been borne by another group company in the current and preceding years. Fees payable to the Company's auditor, Deloitte LLP for the 2013 audit of the Company's annual accounts were £82,400 (2012: £82,000). There were no non-audit fees payable by the Company to the auditor during 2013 (2012: nil)

4 Employees and directors

Employee costs comprises:

	2013 £ 000	2012 £ 000
Wages and salaries	78,468	91,287
Social security costs	12,017	11,166
Pensions costs	<u>4,752</u>	<u>4,903</u>
	<u>95,237</u>	<u>107,356</u>

Employee costs include related share-based payment expenses.

The average number of persons (including directors) employed by the Company during the year was:

	2013 No.	2012 No.
Office and management	<u>449</u>	<u>518</u>

BlackRock Asset Management Investor Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

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Directors' emoluments

The aggregate emoluments of the directors' of the Company disclosed in accordance with Schedule 8 of the Companies Act 2006 were as follows:

	2013 £ 000	2012 £ 000
Aggregate emoluments	8	9
Company pension contributions to defined contribution pension schemes	2	3
	<u>10</u>	<u>12</u>

During the year retirement benefits were accruing to 3 directors (2012: 3 directors) in respect of defined contribution pension schemes.

During the year the number of directors by whom BlackRock, Inc. shares are receivable or have been received under service condition based incentive schemes were 2 (2012: 3 directors).

During the year the number of directors by whom BlackRock, Inc. shares are receivable or have been received under market performance based incentive schemes were nil (2012: nil).

During the year no directors (2012: nil) exercised BlackRock, Inc. share options.

Highest paid director

Remuneration of the highest paid director:

	2013 £ 000	2012 £ 000
Remuneration	6	6
Company contributions to defined contribution pension schemes	2	2
	<u>8</u>	<u>8</u>

The highest paid director received or was entitled to receive shares under a service condition based incentive scheme.

The highest paid director did not receive or was not entitled to receive shares under a market performance based incentive scheme.

During the year the highest paid director did not exercise BlackRock, Inc. share options.

BlackRock Asset Management Investor Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

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5 Interest receivable and similar income

	2013 £ 000	2012 £ 000
Interest receivable and similar income	<u>-</u>	<u>14</u>

6 Taxation

Tax on profit on ordinary activities

	2013 £ 000	2012 £ 000
Current tax		
UK corporation tax (credit)/charge on profit for the year	(1,318)	1,847
Adjustment in respect of prior periods	<u>(254)</u>	<u>(48)</u>
Total current tax	<u>(1,572)</u>	<u>1,799</u>
Deferred tax		
Current year origination and reversal of timing differences	956	(1,355)
Previous period origination and reversal of timing differences	(8)	1,104
Effect of changes in tax rates	<u>804</u>	<u>418</u>
Total deferred tax	<u>1,752</u>	<u>167</u>
Tax on profit on ordinary activities	<u><u>180</u></u>	<u><u>1,966</u></u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2012: higher than) the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £ 000	2012 £ 000
Profit on ordinary activities before taxation	<u>1,012</u>	<u>1,123</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%).	235	275
Effects of:		
Expenses non-deductible for tax purposes	27	34
Impact of share awards vesting	(469)	94
Movement in other short-term timing differences	(1,111)	1,444
Adjustment in respect of prior years	<u>(254)</u>	<u>(48)</u>
Total current tax	<u><u>(1,572)</u></u>	<u><u>1,799</u></u>

BlackRock Asset Management Investor Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

..... *continued*

Factors affecting current and future tax rates

During the year, changes to the UK main corporation tax rate have resulted in the relevant deferred tax balances being re-measured. The corporation tax rate of 24% in effect at the start of the year reduced to a rate of 23% effective from 1 April 2013.

The March 2013 Budget announced further reductions to the UK corporation tax rate, which is proposed to reduce to 21% from 1 April 2014 and to 20% from 1 April 2015. Both changes were substantively enacted on 2 July 2013 and have therefore been reflected in the valuation of relevant deferred tax balances recognised in these financial statements.

7 Dividends

	2013 £ 000	2012 £ 000
Dividends on ordinary shares		
Interim dividends paid nil (2012: £2,000,000) per £1 share	<u>-</u>	<u>4,000</u>
Interim dividends are recognised when declared.		

8 Debtors

	2013 £ 000	2012 £ 000
Amounts due from group companies	63,493	84,163
Deferred tax (Note 9)	4,394	6,157
Other debtors	<u>2,249</u>	<u>125</u>
	<u><u>70,136</u></u>	<u><u>90,445</u></u>

Amounts due from group companies are unsecured, interest free and repayable on demand.

Included within other debtors is £2,043,000 relating to corporation tax recoverable (2012: £1,290,000 corporation tax payable included within creditors).

BlackRock Asset Management Investor Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

..... *continued*

9 Deferred tax asset

The movement in the deferred tax asset in the year is as follows:

	£ 000
At 1 January 2013	6,157
Deferred tax charged to the profit and loss account	(967)
Revaluation of asset resulting from change in tax rate	(804)
Adjustment in respect of prior year	<u>8</u>
At 31 December 2013	<u><u>4,394</u></u>

The deferred tax asset is made up as follows:

	2013	2012
	£ 000	£ 000
Short-term timing difference	<u>4,394</u>	<u>6,157</u>
	<u><u>4,394</u></u>	<u><u>6,157</u></u>

BlackRock Asset Management Investor Services Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

..... *continued*

10 Creditors: Amounts falling due within one year

	2013 £ 000	2012 £ 000
Amounts due to group companies	4,722	11,188
Corporation tax	-	1,290
Accruals and other creditors	<u>47,974</u>	<u>51,765</u>
	<u><u>52,696</u></u>	<u><u>64,243</u></u>

Cash management within the BlackRock group is governed by 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)'). Any amounts contributed by the Company are treated as an intercompany loan receivable from BIM (UK). The balance receivable from BIM (UK) of £229,000 (2012: £310,000) in relation to this arrangement is included within 'Amounts due to group companies'. This is netted against the creditor position with BIM (UK).

Excluding cash management balances, all other amounts due to group companies are unsecured, interest free and repayable on demand.

11 Provisions

	Other provision £ 000
At 1 January 2013	<u>1,491</u>
At 31 December 2013	<u><u>1,491</u></u>

Other provisions

A provision of £1,491,000 has been recognised in respect of dilapidation costs on the Royal Mint Court premises. The provision is based on estimated cost of repairs and other remedial work which will be incurred on exiting the property. The Company has provided for dilapidation costs as it has legal ownership of the leasehold improvements, although these costs are recharged to the Company's fellow group undertaking, BlackRock Advisors (UK) Limited, which is counterparty to the lease agreement for these premises.

12 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2

BlackRock Asset Management Investor Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

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13 Share-based payments

Employees of the company may be granted stock-based compensation in the form of restricted stock and Restricted Stock Unit ("RSU") award schemes. All schemes are accounted for on an equity-settled basis.

Restricted stock and RSUs

Restricted stock and RSUs are issued by the ultimate parent company, BlackRock, Inc. and RSUs are converted into shares of BlackRock, Inc. on each of the vesting dates. Substantially all restricted stock and RSUs vest over periods ranging from one to four 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. Prior to 2009, the Company awarded restricted stock and RSUs with non-forfeitable dividend equivalent rights. Dividend equivalents on restricted stock and RSU awards granted from 2009 onwards are subject to forfeiture prior to vesting of the award, and as such are not paid to employees until that date.

The majority of stock-based compensation awards include a service condition and will be forfeited if the employee leaves BlackRock before the end of the service period. These awards are valued at their grant-date fair value as measured by BlackRock, Inc. common stock price. The total fair value amortised over the vesting period is adjusted for future forfeitures based on management's best estimate of restrictions and behavioural considerations.

	Service condition awards			
	Number of Units ('000)		Weighted average grant date price	
	2013	2012	2013	2012
Outstanding at beginning of year	208	216		
Granted	51	63	\$232.63	\$184.08
Vested	(97)	(36)	\$205.38	\$204.16
Forfeited	(20)	(8)		
Transfers	(3)	(27)		
Outstanding at end of year	<u>139</u>	<u>208</u>		

The Company recognised total expenses of £6,913,000 (2012: £9,826,000) related to equity-settled share-based payment transactions during the year.

BlackRock Asset Management Investor Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

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Deferred compensation plans

The Company has additional compensation plans for the purpose of providing deferred compensation and retention incentives to certain employees. For these plans, the final value of the deferred amount to be distributed upon vesting is associated with the returns of certain investment funds. The liabilities for these plans were £3,422,000 at 31 December 2013 (2012: £1,802,000) and are reflected in the Company's balance sheet as accrued compensation and benefits as it vests rateably over three years from the grant date.

Other share-based payment plans

The employee stock purchase plan ("ESPP") is open to almost all employees and provides for a purchase price equal to the fair value of a share of common stock on the last business day of the offering period, less five percent. The shares can be purchased during four offering periods; being 1 January, 1 April, 1 July and 1 October of each year during the term of the ESPP. This amount for the company is wholly immaterial and therefore has not been considered further in terms of FRS 20 Share-based Payment.

BlackRock Asset Management Investor Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

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14 Pensions and other post retirement commitments

Post retirement medical commitment

The Company operates a post-retirement medical arrangement for certain employees. No assets have been set aside to meet the cost of these post-retirement medical benefits. The benefits therefore represent an unfunded liability for the Company. The last full actuarial valuation was carried out as at 31 December 2013 by external qualified actuaries.

The post-retirement medical cost for the period was £56,000 (2012: £46,000).

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

		2013 %	2012 %
Discount rate		4.4	4.1
Medical cost inflation - ultimate rate		4.3	4.3
Medical cost inflation - initial rate		9	10
Year ultimate rate reached		2019	2019
Sensitivity analysis			
Measure	2013 basis	1% increase	1% decrease
	9.0% in 2014, reducing by 1.0% p.a. for four years; 4.3% p.a. thereafter	10.0% in 2014, reducing by 1.0% p.a. for four years; 5.3% p.a. thereafter	8.0% in 2014, reducing by 1.0% p.a. for four years; 3.3% p.a. thereafter
Health Care Cost Trend rate			
Accumulated Post-Retirement Benefit Obligation as at 31 December 2013	451	613 (+35.9%)	334 (-25.9%)

Amounts recognised in the profit and loss account

	2013 £ 000	2012 £ 000
Amounts recognised in operating profit		
Current service cost	28	22
Total operating charge	28	22
Analysis of amounts recognised in other finance charges		
Interest on post-retirement benefit scheme liabilities	28	24
Total other finance charges	28	24

BlackRock Asset Management Investor Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

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	2013	2012
	£ 000	£ 000
Analysis of amounts recognised in STRGL		
Actuarial gains / (losses)	<u>287</u>	<u>(125)</u>
Actuarial gains / (losses) recognised in STRGL	<u>287</u>	<u>(125)</u>
As a percentage of scheme liabilities	<u>63.6%</u>	<u>(18.3)%</u>
	2013	2012
	£ 000	£ 000
Analysis of movement in deficit during the year		
Deficit in scheme at beginning of year	(682)	(511)
Current year service cost	(28)	(22)
Actuarial gains/ (losses)	287	(125)
Other finance costs	<u>(28)</u>	<u>(24)</u>
Deficit in scheme at end of year	<u>(451)</u>	<u>(682)</u>
	2013	2012
	£ 000	£ 000
Reconciliation of scheme liabilities to liabilities recognised		
Present value of defined benefit obligation	(451)	(682)
Related deferred tax asset	90	157
Net deficit in scheme	<u>(361)</u>	<u>(525)</u>

BlackRock Asset Management Investor Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

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History of experience adjustments on scheme assets and liabilities

Amounts for the current period are as follows:

	2013 £ 000	2012 £ 000	2011 £ 000	2010 £ 000	2009 £ 000
Present value of scheme liabilities	<u>(451)</u>	<u>(682)</u>	<u>(511)</u>	<u>(588)</u>	<u>(434)</u>
Experience adjustments:					
		2013 £ 000	2012 £ 000	2011 £ 000	2010 £ 000
Experience adjustments arising on scheme liabilities		<u>49</u>	<u>53</u>	<u>277</u>	<u>(32)</u>

Defined Contribution Arrangement

The Company also operates a defined contribution scheme for which the pension cost charge for the period amounted to £4,750,000 (2012: £4,900,000).

15 Related party transactions

The Company is exempt from disclosing related party transactions, under paragraph 3c of Financial Reporting Standard 8 Related Party Disclosures, with members of the group, as it is a wholly-owned subsidiary and disclosures are therefore not required provided that any other subsidiary undertaking which is a party to the transactions is wholly-owned by a member of that group. The consolidated financial statements of the ultimate parent company are publicly available as detailed in Note 16.

16 Parent undertakings and ultimate controlling party

The Company's immediate parent company is BlackRock Group Limited and the ultimate parent company and controlling party is BlackRock, Inc., a company incorporated in the State of Delaware in the United States of America. The parent company of the largest and smallest group that includes the company and for which group accounts are prepared is BlackRock, Inc.. Copies of the group financial statements of BlackRock, Inc. are available from the Investor Relations website at www.blackrock.com or requests may be addressed to Investor Relations at 55 East 52nd Street, New York, NY 10055, USA or by e-mail at invrel@blackrock.com.