Registration number: SC160821

BLACKROCK INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2010

BLACKROCK INTERNATIONAL LIMITED

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BLACKROCK INTERNATIONAL LIMITED

DIRECTORS' REPORT

For the Year Ended 31 December 2010

The directors present their report with the audited financial statements of BlackRock International Limited (the "Company"), registered number SC160821, for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Company remains the provision of investment management, advisory and administrative services. The Company operates a branch outside the UK in Munich.

The Company is authorised and regulated by the Financial Services Authority ("FSA").

RESULTS AND DIVIDENDS

During the year the Company made a profit after taxation of £18,167,000 (2009: £12,391,000). During the year the Company paid dividends of £nil (2009: £nil). The directors do not recommend the payment of a final dividend (2009: £nil).

Details of significant post balance sheet events are given in note 23.

DIRECTORS

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

S Carracher

J DesMarais

N Hall

R Kushel

Q Price

C Thomson

BUSINESS REVIEW

As shown in the Company's profit and loss account, the Company's turnover for the Year Ended 31 December 2010 was £33,852,000 (2009: £26,755,000), an increase of 27%. This is due to more favourable market conditions coupled with an increased in revenue generating employees being seconded from BlackRock Investment Management (UK) Limited ("BIM (UK)").

Administrative expenses have decreased by 12% to £11,781,000 (2009: £13,395,000). This is largely due to a foreign exchange gain for the year of £822,000 compared to a foreign exchange loss of £3,492,000 in 2009, partially offset by an increase in costs associated with the additional employees seconded from BIM (UK) in the year.

Interest payable and similar charges have increased by 549% to £3,960,000 (2009: £610,000). This is due to the impact of a full years worth of the interest on the £120,000,000 subordinated debt with BlackRock Finance Europe Limited being reflected in 2010. The loan being entered into on 1 December 2009.

The integration of the Barclays Global Investors business into BlackRock, Inc. ("BlackRock") has produced a global leader with USD3.35 trillion in assets under management. The enlarged firm has a wide range of top quartile investment strategies that will be able to satisfy investors' renewed risk appetite, which has been reflected in the strong market recovery and robust new business flows. The directors are confident that the range of strategies available to investors, together with increased market confidence, will be translated into continued growth and profitability in 2011.

The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain 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 accounts.

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, managing and analysing risks, and invests in personnel and technology accordingly.

The specific risks and uncertainties relevant to the Company may be categorised under three broad categories:

- Operational risk events, arising from inadequate or failed internal processes,people and systems, or from external events, may result in direct costs and/or subsequent litigation and reputational damage;
- A short-fall of readily realisable liquid assets may cause the company to default in respect of its payment obligations;
- Adverse economic conditions could lead to a decline in the value of customers' portfolios and hence associated revenues.

Operational risk

The main risk which the Company is subject to is operational risk, as the Company's business requires it to process a large number of transactions both efficiently and accurately. The Company has in place an integrated operational risk management framework, that is designed to ensure that systems and processes are in place to identify, manage, and mitigate key risks. The risks are measured using a sophisticated modelling technique, as part of the Company's internal capital assessment process. The model calculates unexpected losses on an annualised basis at a 99.5% confidence level utilising both internal and external loss data. This approach has been reviewed and approved by the FSA.

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 arises in respect of accounts receivable and surplus cash held in bank accounts, or held on account with other BlackRock group companies as part of normal treasury operations. The Company minimises exposure to credit risk with respect to accounts receivable by actively pursuing settlement of outstanding management fee invoices and performance fees within the terms and conditions of the underlying agreement and retains the right to offset unpaid invoices against any client assets.

Market risk:

- Interest rate risk relates only to the possibility that income from the Company's interest-bearing financial assets will fluctuate as interest rates fluctuate.

- Foreign exchange risk arises where the Company's foreign currency assets are not matched by liabilities denominated in the same currency. Furthermore, the Company derives revenues from management and performance fees in three main currencies being Sterling, Euro and US Dollar. Expenses are mainly denominated in Sterling and as a consequence the Company's revenues may fluctuate as a result of Euro and US Dollar exchange movements.

- Price risk is the risk that market prices for the investments held within customers portfolios may fall. The Company's revenue comprises fees for investment management services, which are derived from the value of customers' portfolios. The portfolios are constructed to meet clients specified strategies and diversification across the entire population of portfolios mitigates the Company's exposure to price risk. The Company undertakes stress-testing analysis by modelling adverse economic scenarios and uses the results to test the robustness of its business plan.

Capital risk management

The Company's objectives when managing capital are:
• to safeguard the Company's ability to continue as a going concern;
• to satisfy the requirements of its regulators; and
• to maintain financial strength to support new business growth.

The Company is subject to minimum regulatory capital requirements imposed by the FSA. In order to ensure compliance with this requirement throughout the year and to fund continued business expansion / development, a surplus was maintained throughout the year which is deemed appropriate by the Board.

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 and has a sufficient capital surplus to meet the regulatory requirement at all times during the year.

Internal Capital Adequacy Assessment Process ("ICAAP")

The Company's regulatory capital requirement is established by reference to the Internal Capital Adequacy Assessment Process ("ICAAP") undertaken by its immediate parent, BlackRock Group Limited ("BGL"), as required by the FSA. The detailed analysis therein encompasses all the subsidiaries of BGL. In particular, the ICAAP establishes the minimum capital requirement with reference to a number of stress-tests and scenario analyses. 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 BGL'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

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether 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.

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 2010 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.

Charitable and political contributions

During the financial year the Company made no (2009: £nil) donations to registered charities or political donations (2009: £nil).

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.

Creditors' payment policy

The Company values its suppliers and acknowledges the importance of paying invoices promptly. It is the Company's practice to agree terms with suppliers when entering into contracts. We negotiate with suppliers on an individual basis and meet our obligations accordingly. The Company does not follow any specific published code or standard on payment practice.

Paragraph 12(3) of Schedule 7 of the Companies Act 2006 requires disclosure of trade creditor payment days. The components for the trade creditor calculation are not easily identified. However, by identifying as closely as possible the components that would be required if Schedule 4 of the Companies Act applied, the trade creditor payment days for the Company for 2010 were zero days (2009: zero days) as these are paid by a fellow subsidiary in the group. This is an arithmetical calculation and does not necessarily reflect our practice, which is described above, or the experience of any individual creditor.

Independent auditors

So far as the directors are aware there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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 29 March 2011 and signed on its behalf by:

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A Dyke
Company secretary

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 2010 which comprises the profit and loss account, the balance sheet and the related notes 1 to 24. 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 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 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 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 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 2010 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.

C. M. Thomson

Calum Thomson (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

29 March 2011

BLACKROCK INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

For the Year Ended 31 December 2010

	Note	2010 £ 000	2009 £ 000
TURNOVER	3	33,852	26,755
Administrative expenses		(11,781)	(13,395)
OPERATING PROFIT	4	22,071	13,360
Interest receivable and similar income	7	665	277
Interest payable and similar charges	8	(3,960)	(610)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		18,776	13,027
TAX ON PROFIT ON ORDINARY ACTIVITIES	9	(609)	(636)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		18,167	12,391

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 12 to 26 form an integral part of these financial statements.

BLACKROCK INTERNATIONAL LIMITED

(Registration number: SC160821)

BALANCE SHEET

As at 31 December 2010

	Note	2010 £ 000	2009 £ 000
FIXED ASSETS			
Tangible fixed assets	11	1,173	1,098
Investments	12	512,025	512,025
		513,198	513,123
CURRENT ASSETS			
Debtors	13	51,604	35,336
Investments	14	88	88
Cash at bank		944	632
		52,636	36,056
CREDITORS			
Amounts falling due within one year	15	(4,286)	(5,796)
NET CURRENT ASSETS		48,350	30,260
TOTAL ASSETS LESS CURRENT LIABILITIES		561,548	543,383
Creditors: Amounts falling due after more than one year	16	(120,000)	(120,000)
Provisions for liabilities	17	(11)	(37)
NET ASSETS		441,537	423,346
CAPITAL AND RESERVES			
Called up share capital	18	1,300	1,300
Share premium account	19	353,406	353,406
Capital redemption reserve	19	8,019	8,019
Share-based payments reserve	19	24	-
Profit and loss account	19	78,788	60,621
SHAREHOLDER'S FUNDS		441,537	423,346

Approved by the Board on 29 March 2011 and signed on its behalf by:

Col. Th

....

C Thomson
Director

The notes on pages 12 to 26 form an integral part of these financial statements.

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 (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, net of VAT.

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 or an incentive allocation from alternative investment products and 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.

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

Investments
Investments held as fixed assets are carried at cost less provisions for impairment. Investments in subsidiaries are held at cost less impairment provisions. At each reporting date an assessment is undertaken to determine if there is any 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 the lower of cost and directors' valuation.

ACCOUNTING POLICIES Continued

Tangible fixed assets
Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	**Depreciation method and rate**
Leasehold Property	Fifteen years or term of lease if shorter
Furniture, fittings and equipment	Three to seven years

Translation of foreign currencies
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 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.

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 present information about it as an individual undertaking and not about its group.

Pensions
The Company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

ACCOUNTING POLICIES Continued

Share-based payments

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 share-based payments to certain employees of the Company.

The fair values of equity settled schemes 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 graned 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.

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.

2 PRINCIPAL ACTIVITIES

The company provides investment management, advisory and administrative services.

3 TURNOVER

	2010 £ 000	2009 £ 000
Performance fees	1,348	560
Management fees	32,504	26,195
	33,852	26,755

Of the above turnover £3,273,000 (2009: £4,344,000) arose outside the United Kingdom.

Turnover includes net management fee income from other group companies of £10,555,000 (2009: £8,748,000).

4 OPERATING PROFIT/LOSS

Operating profit is stated after charging/(crediting) the following:

	2010 £ 000	2009 £ 000
Depreciation of tangible fixed assets (note10)	372	515
Foreign exchange (gains)/losses	(822)	3,492
Operating leases	1,119	906

Auditors' remuneration has been bome by another group company in the current year, in the prior year the cost was borne by the Company. Fees payable to the Company's auditors, Deloitte LLP for the 2010 audit of the Company's annual accounts were £135,000 (2009: £80,000). There were no non-audit fees payable by the Company to the auditor during 2010 (2009: £nil).

5 DIRECTORS AND EMPLOYEES

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

	2010 No.	2009 No.
Administration and support	35	30

The aggregate renumeration comprises:

	2010 £ 000	2009 £ 000
Salaries and benefits	7,385	4,525
Social security costs	1,009	539
Other pension costs	269	450
	8,663	5,514

During 2010, 29 employees (2009: 23) were seconded to the Company from BlackRock Investment Management (UK) Limited. The cost of these staff is borne by the Company through a management recharge. The management recharge to reflect the secondment charge is £7,881,000 (2009: £4,538,000).

6 DIRECTORS' REMUNERATION

Of the 7 (2009: 7) directors that served during the year, none were remunerated by the Company. The amounts included below relate to their services as directors, for all the directors of the Company based on an estimated time allocation basis. Emoluments in relation to services performed for other group companies are not disclosed in the Company's financial statements.

Remuneration paid to directors of the Company comprised:

	2010 £ 000	2009 £ 000
Emoluments	385	430
Company pension contributions to defined contribution pension schemes	4	3

During the year retirement benefits were accruing to 4 directors (2009: 7) in respect of defined contribution pension schemes.

DIRECTORS' REMUNERATION Continued

The highest paid director received emoluments of £165,000 (2009: £212,000).

The value of the Company's contributions to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2009: £nil).

The total accrued BlackRock defined pension provision of the highest paid director at 31 December 2010 amounted to £nil (2009:£nil).

During the year 1 director exercised BlackRock, Inc. share options (2009: 1).

During the year the number of directors by whom BlackRock, Inc. shares are receivable or have received under long-term incentive schemes was 6 (2009: 7).

The highest paid director received BlackRock, Inc. shares under long-term incentive scheme during 2010.

7 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable and similar income:

	2010 £ 000	2009 £ 000
- From other sources	665	277

8 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges:

	2010 £ 000	2009 £ 000
Subordinated debt interest	3,672	306
Other interest payable to group undertakings	288	304
	3,960	610

9 TAXATION

Tax on profit on ordinary activities

	2010 £ 000	2009 £ 000
Current tax		
UK corporation tax charge on profit for the year	497	587
Double taxation relief	(497)	(587)
Adjustments in respect of previous periods	49	-
Foreign taxes paid on profits for the year	586	691
Total current tax	635	691
Deferred tax (note)		
Current year origination and reversal of timing differences	(26)	(28)
Previous period origination and reversal of timing differences	-	(27)
Total deferred tax	(26)	(55)
Tax on profit on ordinary activities	609	636

FACTORS AFFECTING TAX CHARGE FOR YEAR

The current tax assessed for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK applicable to the Company 28% (2009 - 28%). The differences are explained below:

	2010 £ 000	2009 £ 000
Profit on ordinary activities before tax	18,776	13,027
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	5,257	3,648
Effects of:		
Expenses not deductible for tax purposes	38	32
Other short term timing differences	5	-
Capital allowances in excess of depreciation	-	28
Adjustments to tax in respect of previous periods	49	-
Deductible amounts in respect of exercise of share options	(176)	(188)
Group relief received for nil payment	(4,643)	(2,933)
Depreciation in excess of capital allowances	17	-
Impact of overseas taxes	88	104
Current tax charge for year	635	691

10 DEFERRED TAXATION

	2010 £ 000	2009 £ 000
At beginning of year	(37)	(92)
Credit in profit for the year relating to the current period	26	28
Credit in profit for the year relating to the prior period	-	27
At end of year	(11)	(37)

The deferred tax liability is made up as follows:

	2010 £ 000	2009 £ 000
Fixed asset timing differences	30	37
Short-term timing difference	(19)	-
	11	37

11 TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £ 000	Office equipment £ 000	Total £ 000
Cost			
At 1 January 2010	2,007	1,958	3,965
Additions	162	285	447
At 31 December 2010	2,169	2,243	4,412
Depreciation			
At 1 January 2010	1,260	1,607	2,867
Charge for the year	194	178	372
At 31 December 2010	1,454	1,785	3,239
Net book value			
At 31 December 2010	715	458	1,173
At 31 December 2009	747	351	1,098

12 FIXED ASSETS INVESTMENTS

	Investment in subsidiary companies £ 000	Total £ 000
Cost		
At 1 January 2010 and 31 December 2010	512,025	512,025

SUBSIDIARY UNDERTAKINGS

The following are subsidiary undertakings of the Company and are incorporated in the United Kingdom unless otherwise stated. The proportion of ordinary share capital in each subsidiary held by the Company is listed below.

Name	Holding	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

13 DEBTORS

	2010 £ 000	2009 £ 000
Trade debtors	10,199	10,639
Amounts owed by group companies	39,577	16,994
Other debtors	655	495
Corporation tax control	1,173	7,208
	51,604	35,336

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)"). These balances are treated as intercompany loans between BIM (UK) and the corresponding group companies. This cash is then held as short-term money market investments by BlackRock Group Limited ("BGL"). The receivable due from BIM (UK) of £29,908,000 (2009: £2,059,000 creditor) is included within 'Amounts owed by group companies'.

14 CURRENT ASSET INVESTMENTS

	2010 £ 000	2009 £ 000
Listed investments	88	88

Listed investments
The market value of the listed investments at 31 December 2010 was £121,000 (2009: £88,000).

15 CREDITORS:

Amounts falling due within one year

	2010 £ 000	2009 £ 000
Trade creditors	-	23
Amounts owed to group companies	3,630	2,909
Corporation tax	-	1,833
Other taxes and social security	4	120
Other creditors	652	911
	4,286	5,796

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £ 000	2009 £ 000
Subordinated debt	120,000	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.

17 PROVISIONS

	Deferred tax £ 000	Total £ 000
At 1 January 2010	37	37
Credited to the profit and loss account	(26)	(26)
At 31 December 2010	11	11

18 SHARE CAPITAL

	2010 £	2009 £
Authorised		
1,300,002 ordinary shares of £1 each	1,300,002	1,300,002
Allotted, called up and fully paid		
1,300,002 (2009: 1,300,002) ordinary shares of £1 each	1,300,002	1,300,002

19 RESERVES

	Share premium account £ 000	Capital redemption reserve £ 000	Share-based payments reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2010	353,406	8,019	-	60,621	422,046
Profit retained for the year	-	-	-	18,167	18,167
Share-based payment	-	-	24	-	24
At 31 December 2010	353,406	8,019	24	78,788	440,237

20 SHARE-BASED PAYMENTS

There are various stock-based compensation schemes available to employees of the Company which can be broadly categorised into the following two groups: restricted stock and Restricted Stock Unit ("RSU") award schemes, and other share-based payment plans.

Restricted Stock and RSUs

The ultimate parent company issues restricted stock grants and 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 in 2006, 2007, 2008, 2009 and 2010. The ultimate parent company has the obligation to settle the liability in respect of restricted stock grants and RSUs.

Restricted stock and RSUs vest over periods ranging from one to five years and are expensed over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards. 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. Prior to 2009, all restricted stock and RSUs were awarded with non-forfeitable dividend equivalent rights which were paid to employees quarterly. Dividend equivalents on restricted stock and RSU awards made in 2009 and 2010 are subject to forfeiture prior to vesting of the award, and as such are not paid to employees until that date.

RSUs are also issued by the ultimate parent company to executive officers and managers under long-term incentive plans ("LTIP"). The vesting period for these awards is 56 - 60 months.

	Number of units ('000)		**Weighted average grant date price ($)**	
	'2010	**'2009**	**'2010**	**'2009**
Outstanding at beginning of year	553	163	$133.95	$202.36
Granted	343	444	$240.01	$117.16
Converted	(233)	(54)	$148.24	$202.36
Forfeited	-	-	-	-
Outstanding at end of year	**663**	**553**	**$183.80**	**$133.95**

SHARE-BASED PAYMENTS Continued

The Company values restricted stock and RSUs at their grant-date fair value as measured by BlackRock's common stock price.

The Company recognised total expenses of £43,000 (2009: £nil) related to restricted stock and RSU transactions during the year.

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.

21 RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing related party transactions, under Paragraph 3c of Financial Reporting Standard No. 8 - Related Party Disclosures, with members of the group, as it is a wholly-owned subsidiary and provided that any other subsidiary undertaking which is a party to the transaction is wholly-owned by a member of that group.

22 COMMITMENTS

OPERATING LEASE COMMITMENTS

As at 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2010	**2009**
	£ 000	**£ 000**
Expiry date:		
Within 1 year	-	63
Between 2 and 5 years	1,034	-
After more than 5 years	-	855
	1,034	918

23 SUBSEQUENT EVENTS

At the BlackRock Pensions Limited board meeting held on 25 March 2011, the board of directors declared that a dividend of £9m be paid to the Company.

24 PARENT UNDERTAKINGS

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 at 40 East 52nd St, New York, NY 10022, USA or by e-mail at invrel@blackrock.com.