

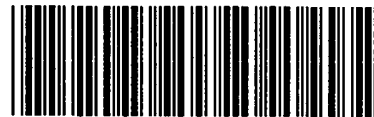
**REGISTERED NUMBER: 00162175 (England and Wales)**

**LAZARD & CO., LIMITED**

**Strategic Report, Report of the Directors and**

**Audited Financial Statements for the Year Ended 31 December 2015**

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COMPANIES HOUSE

Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

**LAZARD & CO., LIMITED**

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**for the Year Ended 31 December 2015**

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**LAZARD & CO., LIMITED**

**Company Information**  
**for the Year Ended 31 December 2015**

**DIRECTORS:**

R J Farrer-Brown  
A J Norman  
J A Rosen  
R J Rountree  
W J Rucker  
N R Shott

**SECRETARY:**

R J Farrer-Brown

**REGISTERED OFFICE:**

50 Stratton Street  
London  
W1J 8LL

**REGISTERED NUMBER:**

00162175 (England and Wales)

**SENIOR STATUTORY  
AUDITOR:**

Calum Thomson

**AUDITORS:**

Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

## **LAZARD & CO., LIMITED**

### **Strategic Report** **for the Year Ended 31 December 2015**

The directors present their strategic report for the year ended 31 December 2015.

#### **REVIEW OF BUSINESS**

The Company's revenues were £131,823,000 (2014: £114,594,000) reflecting an improved UK mergers and acquisitions advisory market and an increasing market share. The profit for the year after taxation was £24,235,000 (2014: £24,754,000) reflecting increased employment charges and pension scheme contributions.

The Company's management continue to focus on increasing the strength of the London based team and the Company's client base, to build a strong and sustainable advisory business for the long term.

#### **KEY PERFORMANCE INDICATORS**

The Company's primary activity is the provision of financial advisory services. Such advisory services are provided to a diverse set of clients across a broad range of business sectors. A wide array of advisory services are offered, including relating to mergers and acquisitions and strategic advisory matters, restructuring, capital markets and capital structure advisory services, and other corporate finance matters.

The key indicator of the Company's performance is the level of revenues from these activities. Revenue for 2015 increased by 15% compared to 2014. The Company focuses on maximising operating profits by targeted growth and diversification of revenues and retention of key staff. The majority of the Company's operating expenses relate to compensation and benefits. Control over the level of compensation expense relative to the level of revenues is critical to the profitability of the Company. The Company's strategy in this regard is consistent with the targets and policies of the Lazard Ltd group globally.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's risk is managed at the Risk Committee. The Committee's objective, in terms of risk, is to assess whether Lazard's businesses and support departments maintain adequate risk management structure and processes, are consistent with the Group's risk appetite, and are appropriately reported to senior management. The Committee meets on a periodic basis, and comprises senior representatives from investment banking and support functions (Legal, Compliance, HR and Finance).


The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company uses spot and foreign exchange forward contracts to hedge these exposures. The Company does not use derivative financial instruments for speculative purposes. The Company's principal financial assets are cash, trade and other receivables and investments. The Company's credit risk is primarily attributable to its trade and other receivables.

The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables. The credit risk on liquid funds is limited because the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and clients. Operational risk is inherent in the Company and the Company maintains a framework including policies and a system of internal controls designed to monitor and manage operational risk and provide management with timely and accurate information. The Board of the Company has ultimate responsibility over the Company and its subsidiary undertakings to assess the risks and ensure adequate controls are in place to manage these risks.

**LAZARD & CO., LIMITED**

**Strategic Report**  
**for the Year Ended 31 December 2015**

**ON BEHALF OF THE BOARD:**

  
.....  
Director **ROBERT FARRER BROWN**

Date: **22nd April 2016**  
.....

## **LAZARD & CO., LIMITED**

### **Report of the Directors** **for the Year Ended 31 December 2015**

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

#### **PRINCIPAL ACTIVITY**

The Company is authorised and regulated by the Financial Conduct Authority with effect from 1 April 2013, to conduct designated investment business. It carries out all Lazard UK Group investment banking business. The Company also holds a controlling interest in Lazard Italy Limited.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2015.

#### **FUTURE DEVELOPMENTS**

There have been no significant events since the balance sheet date requiring disclosure. The directors expect the Company to continue to make progress in its core areas of business.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

R J Farrer-Brown  
A J Norman  
J A Rosen  
R J Rountree  
W J Rucker  
N R Shott

None of the directors has any interests in the shares or debentures of any group company that are required to be disclosed in accordance with the Companies Act 2006.

In accordance with the Company's articles of association and subject to the provisions of the Companies Act 2006, the Company has made qualifying third party indemnity provisions for the benefit of its directors against all costs, charges, losses, expenses and liabilities incurred by them in the execution and/or discharge of their duties and/or the exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or office.

#### **GOING CONCERN BASIS**

Further to the Risk Management process discussed in the Strategic Report, the Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders and complying with statutory requirements to maintain minimum capital. The Company encounters risk in the normal course of business and has designed risk management processes to help manage and monitor such risks considering both the nature of the business and operating model.

As indicated on the Statement of Financial Position on page 11, the Company has sufficient net current assets and as a consequence the Directors believe that the Company is well placed to manage its business risks successfully despite the uncertain economic outlook.

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

**LAZARD & CO., LIMITED**

**Report of the Directors**  
**for the Year Ended 31 December 2015**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The Company has elected to dispense with the obligation to appoint an auditor annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 487 (2) of the Companies Act 2006.

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

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(b) 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 provision of S418 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



.....  
Director **ROBERT FARRER-BROWN**

Date: **22<sup>nd</sup> April 2016**

## **LAZARD & CO., LIMITED**

### **Statement of Directors' Responsibilities** **for the Year Ended 31 December 2015**

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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.



## **Report of the Independent Auditors to the Members of Lazard & Co., Limited**

We have audited the financial statements of Lazard & Co., Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity and the related notes 1 to 20. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page six, 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. 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 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 2015 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of  
Lazard & Co., 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 Auditor  
London, United Kingdom

Date: 22 April 2016

**LAZARD & CO., LIMITED****Income Statement**  
**for the Year Ended 31 December 2015**

	Notes	2015 £'000	2014 £'000
<b>TURNOVER</b>		131,823	114,594
Administrative expenses		<u>(115,750)</u>	<u>(98,068)</u>
		16,073	16,526
Other operating income		<u>8,341</u>	<u>7,504</u>
<b>OPERATING PROFIT</b>	3	24,414	24,030
Income from shares in group undertakings		-	1,687
Revaluation of investments		(4)	(410)
Interest receivable and similar income		<u>178</u>	<u>131</u>
		24,588	25,438
Interest payable and similar charges	4	<u>(334)</u>	<u>(541)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		24,254	24,897
Tax on profit on ordinary activities	5	<u>(19)</u>	<u>(143)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>24,235</u>	<u>24,754</u>

The notes on pages 14 to 22 form part of these financial statements

**LAZARD & CO., LIMITED**

**Other Comprehensive Income**  
**for the Year Ended 31 December 2015**

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
<b>PROFIT FOR THE YEAR</b>	24,235	24,754
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>24,235</u>	<u>24,754</u>

The notes on pages 14 to 22 form part of these financial statements

**LAZARD & CO., LIMITED (REGISTERED NUMBER: 00162175)****Statement of Financial Position**  
**31 December 2015**

	Notes	2015 £'000	2014 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	5,754	6,394
Investments	8	<u>2,386</u>	<u>2,390</u>
		<u>8,140</u>	<u>8,784</u>
<b>CURRENT ASSETS</b>			
Debtors	9	62,441	60,718
Investments	10	-	11,235
Cash at bank		<u>17,083</u>	<u>25,942</u>
		79,524	97,895
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(14,750)</u>	<u>(56,524)</u>
<b>NET CURRENT ASSETS</b>		<u>64,774</u>	<u>41,371</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		72,914	50,155
<b>PROVISIONS FOR LIABILITIES</b>	14	<u>(2,625)</u>	<u>(4,101)</u>
<b>NET ASSETS</b>		<u><u>70,289</u></u>	<u><u>46,054</u></u>

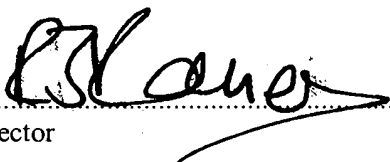
The notes on pages 14 to 22 form part of these financial statements

**LAZARD & CO., LIMITED (REGISTERED NUMBER: 00162175)**

**Statement of Financial Position - continued**  
**31 December 2015**

	Notes	2015 £'000	2014 £'000
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	32,803	32,803
Share premium	16	45,282	45,282
Capital redemption reserve	16	407	407
Retained earnings	16	(8,203)	(32,438)
<b>SHAREHOLDERS' FUNDS</b>		<u>70,289</u>	<u>46,054</u>

The financial statements were approved by the Board of Directors on 22nd April 2016 and were signed on its behalf by:

  
.....  
Director **ROBERT ROUNTREE**

  
.....  
Director **WILLIAM RUCKER**

The notes on pages 14 to 22 form part of these financial statements

**LAZARD & CO., LIMITED****Statement of Changes in Equity**  
**for the Year Ended 31 December 2015**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2014</b>	32,803	(57,192)	45,282	407	21,300
<b>Changes in equity</b>					
Total comprehensive income	-	24,754	-	-	24,754
<b>Balance at 31 December 2014</b>	<u>32,803</u>	<u>(32,438)</u>	<u>45,282</u>	<u>407</u>	<u>46,054</u>
<b>Changes in equity</b>					
Total comprehensive income	-	24,235	-	-	24,235
<b>Balance at 31 December 2015</b>	<u>32,803</u>	<u>(8,203)</u>	<u>45,282</u>	<u>407</u>	<u>70,289</u>

The notes on pages 14 to 22 form part of these financial statements

## **LAZARD & CO., LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31 December 2015**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see pages 24-25.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### **Preparation of consolidated financial statements**

The financial statements contain information about Lazard & Co., Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Lazard & Co., Holdings Limited ("LCH"), a company registered in the United Kingdom.

##### **Turnover**

Turnover is comprised of corporate finance revenue and is derived from continuing operations.

The majority of fees are contingent on a future event and are therefore only recognised when that event occurs. Where the terms of the engagement allow so the revenue is recognised as contractual work is performed.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, with the exception of artwork and antiques, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold & leasehold improvements - over the term of the lease  
IT equipment - 3 to 5 years  
Furniture and equipment - 5 to 10 years

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more than likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



## **LAZARD & CO., LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2015**

#### **1. ACCOUNTING POLICIES - continued**

##### **Current tax**

Current tax is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Investments in group undertakings**

Participating interests and interests in group and associated undertakings are stated at cost less provision for any impairment in value.

##### **Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used. The Company is using the transitional exemption under Section 35.10 therefore the current operating lease treatment is in accordance with FRS102.

#### **2. DIRECTORS' EMOLUMENTS**

The directors of the Company are also the directors of Lazard & Co., Holdings Limited ("LCH") and Lazard & Co., Services Limited ("LSL"). The directors' emoluments relate to those directors of the Company who provided their services either wholly or primarily to the Company, LCH and LSL. The directors received total emoluments of £6,739,901 (2014: £6,415,852) from LSL during the year, but it is not practical to allocate the amount of remuneration between their services as directors of LCH, LSL and the Company. Further disclosure is provided in the LCH group accounts.

#### **3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation - owned assets	861	848
Loss on disposal of fixed assets	-	1
Auditors' remuneration for the audit of the annual accounts	337	324
Audit-related assurance services	17	-
Auditor services relating to taxation	21	41
Rental charged on land and buildings held under operating lease	14,034	13,991
Recharge from Group company	77,417	62,417
Rental Income on land and building	<u>(8,339)</u>	<u>(7,423)</u>

## **LAZARD & CO., LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2015**

#### **3. OPERATING PROFIT - continued**

Fees payable to Deloitte and their associates for the audit of the company's annual accounts were £131,500 (2014: £126,365).

Fees payable to Deloitte and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

#### **4. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Interest on FX forward	33	98
Interest on intercompany loans	66	65
Unwind onerous lease discount	<u>235</u>	<u>378</u>
	<u><u>334</u></u>	<u><u>541</u></u>

#### **5. TAXATION**

##### **Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
Foreign tax	<u>19</u>	<u>143</u>
Tax on profit on ordinary activities	<u><u>19</u></u>	<u><u>143</u></u>

UK corporation tax has been charged at 20.25% (2014 - 21.50%).

## **LAZARD & CO., LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2015**

#### **5. TAXATION - continued**

##### **Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	<u>24,254</u>	<u>24,897</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.250% (2014 - 21.500%)	4,911	5,353
Effects of:		
Expenses not deductible for tax purposes	222	184
Dividends from UK subsidiaries	-	(363)
Other items	-	22
Foreign tax suffered	19	143
Losses and other timing differences not recognised	<u>(5,133)</u>	<u>(5,196)</u>
Total tax charge	<u>19</u>	<u>143</u>

UK corporation tax has not been charged due to losses brought forward.

#### **6. DEFERRED TAXATION**

UK deferred taxation has been calculated at the rate of corporation tax at which the asset is expected to crystallise to reflect the reduction in the rate of corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020 (2014: 20%). Substantial tax losses are available to offset future UK trading profits. The Company has a potential future tax benefit, not recognised, of approximately £8,600,000 (2014: £14,653,000) in respect of losses carried forward that may be used to shelter specific sources of profits.

**LAZARD & CO., LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2015**

**7. TANGIBLE FIXED ASSETS**

	<b>Improvements to property £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Totals £'000</b>
<b>COST</b>			
At 1 January 2015	14,588	5,944	20,532
Additions	-	221	221
At 31 December 2015	<u>14,588</u>	<u>6,165</u>	<u>20,753</u>
<b>DEPRECIATION</b>			
At 1 January 2015	9,313	4,825	14,138
Charge for year	616	245	861
At 31 December 2015	<u>9,929</u>	<u>5,070</u>	<u>14,999</u>
<b>NET BOOK VALUE</b>			
At 31 December 2015	<u>4,659</u>	<u>1,095</u>	<u>5,754</u>
At 31 December 2014	<u>5,275</u>	<u>1,119</u>	<u>6,394</u>

**8. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £'000</b>	<b>Unlisted investments £'000</b>	<b>Totals £'000</b>
<b>COST OR VALUATION</b>			
At 1 January 2015	2,336	54	2,390
Impairments	-	(1)	(1)
Exchange differences	-	(3)	(3)
At 31 December 2015	<u>2,336</u>	<u>50</u>	<u>2,386</u>
<b>NET BOOK VALUE</b>			
At 31 December 2015	<u>2,336</u>	<u>50</u>	<u>2,386</u>
At 31 December 2014	<u>2,336</u>	<u>54</u>	<u>2,390</u>

## **LAZARD & CO., LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2015**

#### **8. FIXED ASSET INVESTMENTS - continued**

Cost or valuation at 31 December 2015 is represented by:

	<b>Shares in group undertakings £'000</b>	<b>Unlisted investments £'000</b>	<b>Totals £'000</b>
Valuation in 2015	-	50	50
Cost	<u>2,336</u>	<u>-</u>	<u>2,336</u>
	<u>2,336</u>	<u>50</u>	<u>2,386</u>

In the opinion of the directors, the value of the Company's investment in group undertakings is not less than its carrying value. These undertakings are engaged in the businesses of investment banking and investment holding.

#### Principal subsidiary undertakings

- Monamoor Limited (1)
- Lazard Italy Limited (2)

(1) Direct subsidiary of Lazard & Co., Limited which was dissolved on the 24 February 2015.

(2) Lazard & Co., Limited holds 58.4% of the share capital of Lazard Italy Limited, the holding company Lazard SRL, incorporated in Italy, being the company through which the Lazard Group's Italian operations are conducted. Lazard Italy Limited has an accounting year end date of 30 November. Lazard Italy Limited holds 99% of Lazard SRL with 1% owned directly by Lazard Group LLC.

#### **9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2015 £'000</b>	<b>2014 £'000</b>
Trade debtors	21,436	15,333
Amounts owed by group undertakings	33,323	35,401
Amounts owed by participating interests	269	74
Other debtors	2,301	2,532
Foreign exchange contracts	-	818
VAT	-	1,231
Prepayments and accrued income	<u>5,112</u>	<u>5,329</u>
	<u>62,441</u>	<u>60,718</u>

## **LAZARD & CO., LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2015**

#### **10. CURRENT ASSET INVESTMENTS**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Listed Investment - fair value	<u>-</u>	<u>11,235</u>

The listed investment comprises of UK gilts which matured in March 2015. This investment represented the pension escrow arrangement relating to the Lazard defined benefit pension schemes. The balance was paid into the pension schemes in June 2015.

#### **11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	533	433
Amounts owed to group undertakings	9,591	53,298
Amounts owed to participating interests	-	58
VAT	1,274	-
Other creditors	18	50
Foreign exchange contracts	349	-
Accruals and deferred income	<u>2,985</u>	<u>2,685</u>
	<u>14,750</u>	<u>56,524</u>

#### **12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	13,946	13,946
Between one and five years	69,499	69,590
In more than five years	<u>8,948</u>	<u>22,803</u>
	<u>92,393</u>	<u>106,339</u>

These include costs provided in the leasehold provision in Note 14.

#### **13. FINANCIAL INSTRUMENTS**

The Company is exempt from FRS 102 Section 11 Basic Financial Instrument disclosures as full disclosure is provided in the Group accounts.

#### **14. PROVISIONS FOR LIABILITIES**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Other provisions		
Leasehold provision	<u>2,625</u>	<u>4,101</u>

## **LAZARD & CO., LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2015**

#### **14. PROVISIONS FOR LIABILITIES - continued**

	<b>Leasehold Provision £'000</b>
Balance at 1 January 2015	4,101
Utilised during year	(1,623)
Decrease in provision	(88)
Accretion	<u>235</u>
Balance at 31 December 2015	<u><u>2,625</u></u>

A provision has been made in relation to space in the Stratton Street offices, which became surplus and has been sublet. The amount of the provision reflects the net present value of future premises costs in excess of actual or expected rent from tenants. The expected timing of transfer of economic benefit is 2017. The amount is disclosed once the provision is expected to be fully realized.

The following assumptions have been used:

	<b>2015</b>	<b>2014</b>
Discount rate per annum	6%	6%
Percentage of floor space recovered from sub letting - third party	50.3%	50.3%
Percentage of floor space recovered from sub letting - group undertaking	14.9%	14.9%

#### **15. CALLED UP SHARE CAPITAL**

##### **Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
27,803,222	Ordinary	£1	27,803	27,803
5,000,000	Deferred Shares	£1	<u>5,000</u>	<u>5,000</u>
			<u><u>32,803</u></u>	<u><u>32,803</u></u>

The ordinary shares constitute equity interests and the deferred shares constitute non-equity interests.

The non-interest bearing deferred shares do not confer the right to receive any dividend, nor the right to receive notice of, attend, or vote at any general meeting. They confer the right, on a winding up, to the repayment of the amounts paid up thereon, after payment to the holders of the ordinary shares of the sum of £100 in respect of each ordinary share held by them.

## **LAZARD & CO., LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2015**

#### **16. RESERVES**

	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Totals £'000</b>
At 1 January 2015	(32,438)	45,282	407	13,251
Profit for the year	<u>24,235</u>	<u>          </u>	<u>          </u>	<u>24,235</u>
At 31 December 2015	<u>(8,203)</u>	<u>45,282</u>	<u>407</u>	<u>37,486</u>

#### **17. ULTIMATE PARENT COMPANY**

Lazard Ltd (incorporated in Bermuda) is regarded by the directors as being the company's ultimate parent company.

The parent company of the smallest group which includes the Company, and for which group accounts are prepared, and the Company's immediate controlling party, is LCH, a company incorporated and registered in England and Wales.

Copies of Lazard Ltd's financial statements may be obtained from The Secretary, Lazard Ltd, 30 Rockefeller Plaza, New York, NY 10020, USA.

Copies of LCH's financial statements may be obtained from the Company Secretary, Lazard & Co., Holdings Limited, 50 Stratton Street, London W1J 8LL.

#### **18. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### **19. EXPLANATION OF TRANSITION TO FRS 102**

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.



**LAZARD & CO., LIMITED****Reconciliation of Equity****1 January 2014****(Date of Transition to FRS 102)**

	<b>UK GAAP £'000</b>	<b>Effect of transition to FRS 102 £'000</b>	<b>FRS 102 £'000</b>
<b>FIXED ASSETS</b>			
Tangible assets	6,987	-	6,987
Investments	<u>2,802</u>	<u>-</u>	<u>2,802</u>
	<u>9,789</u>	<u>-</u>	<u>9,789</u>
<b>CURRENT ASSETS</b>			
Debtors	51,057	-	51,057
Investments	10,210	-	10,210
Cash at bank	<u>2,996</u>	<u>-</u>	<u>2,996</u>
	<u>64,263</u>	<u>-</u>	<u>64,263</u>
<b>CREDITORS</b>			
Amounts falling due within one year	<u>(46,617)</u>	<u>-</u>	<u>(46,617)</u>
<b>NET CURRENT ASSETS</b>	<u>17,646</u>	<u>-</u>	<u>17,646</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	27,435	-	27,435
<b>PROVISIONS FOR LIABILITIES</b>	<u>(6,138)</u>	<u>-</u>	<u>(6,138)</u>
<b>NET ASSETS</b>	<u>21,297</u>	<u>-</u>	<u>21,297</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	32,803	-	32,803
Share premium	45,282	-	45,282
Capital redemption reserve	407	-	407
Available for sale reserve	(243)	243	-
Retained earnings	<u>(56,952)</u>	<u>(243)</u>	<u>(57,195)</u>
<b>SHAREHOLDERS' FUNDS</b>	<u>21,297</u>	<u>-</u>	<u>21,297</u>

The notes on pages 14 to 22 form part of these financial statements

**LAZARD & CO., LIMITED****Reconciliation of Equity - continued**  
**31 December 2014**

	UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6,394	-	6,394
Investments	<u>2,390</u>	<u>-</u>	<u>2,390</u>
	<u>8,784</u>	<u>-</u>	<u>8,784</u>
<b>CURRENT ASSETS</b>			
Debtors	60,718	-	60,718
Investments	11,235	-	11,235
Cash at bank	<u>25,942</u>	<u>-</u>	<u>25,942</u>
	<u>97,895</u>	<u>-</u>	<u>97,895</u>
<b>CREDITORS</b>			
Amounts falling due within one year	<u>(56,524)</u>	<u>-</u>	<u>(56,524)</u>
<b>NET CURRENT ASSETS</b>	<u>41,371</u>	<u>-</u>	<u>41,371</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	50,155	-	50,155
<b>PROVISIONS FOR LIABILITIES</b>	<u>(4,101)</u>	<u>-</u>	<u>(4,101)</u>
<b>NET ASSETS</b>	<u>46,054</u>	<u>-</u>	<u>46,054</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	32,803	-	32,803
Share premium	45,282	-	45,282
Capital redemption reserve	407	-	407
Available for sale reserve	(653)	653	-
Retained earnings	<u>(31,785)</u>	<u>(653)</u>	<u>(32,438)</u>
<b>SHAREHOLDERS' FUNDS</b>	<u>46,054</u>	<u>-</u>	<u>46,054</u>

The notes on pages 14 to 22 form part of these financial statements

**LAZARD & CO., LIMITED****Reconciliation of Profit  
for the Year Ended 31 December 2014**

	<b>UK GAAP £'000</b>	<b>Effect of transition to FRS 102 £'000</b>	<b>FRS 102 £'000</b>
<b>TURNOVER</b>	114,594	-	114,594
Administrative expenses	(98,068)	-	(98,068)
Other operating income	<u>7,504</u>	<u>-</u>	<u>7,504</u>
<b>OPERATING PROFIT</b>	24,030	-	24,030
Income from shares in group undertakings	1,687	-	1,687
Revaluation of investments	-	(410)	(410)
Interest receivable and similar income	131	-	131
Interest payable and similar charges	<u>(541)</u>	<u>-</u>	<u>(541)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	25,307	(410)	24,897
Tax on profit on ordinary activities	<u>(143)</u>	<u>-</u>	<u>(143)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>25,164</u>	<u>(410)</u>	<u>24,754</u>

The notes on pages 14 to 22 form part of these financial statements