

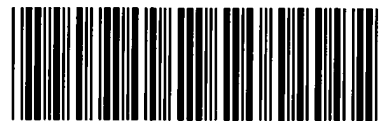
**REGISTERED NUMBER: 03536047 (England and Wales)**

**LAZARD ITALY LIMITED**

**Report of the Directors and**

**Audited Financial Statements for the Year Ended 30 November 2017**

THURSDAY



\*L7DGKEVV\*

LD4

30/08/2018

#4

COMPANIES HOUSE

**LAZARD ITALY LIMITED**

**Contents of the Financial Statements**  
**for the Year Ended 30 November 2017**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Statement of Directors' Responsibilities</b>	<b>4</b>
<b>Report of the Independent Auditor</b>	<b>5</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

**LAZARD ITALY LIMITED**

**Company Information**  
**for the Year Ended 30 November 2017**

**DIRECTORS:**

R J Farrer-Brown  
R J Rountree

**SECRETARY:**

R J Farrer-Brown

**REGISTERED OFFICE:**

50 Stratton Street  
London  
W1J 8LL

**REGISTERED NUMBER:**

03536047 (England and Wales)

**AUDITOR:**

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

## **LAZARD ITALY LIMITED**

### **Report of the Directors** **for the Year Ended 30 November 2017**

The directors present their report with the financial statements of the Company for the year ended 30 November 2017.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that of an investment holding Company.

#### **REVIEW OF BUSINESS**

The Company holds an investment in an Italian investment banking advisory company as a long term investment and is expected to continue as an investment holding Company.

#### **DIVIDENDS**

The total distribution of dividends for the year ended 30 November 2017 was £4,559,677 (2016: £4,719,666).

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2016 to the date of this report.

R J Farrer-Brown

R J Rountree

#### **GOING CONCERN BASIS**

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.

The Company is in a net asset position at year end and for this reason the directors continue to adopt the going concern basis in preparing the financial statements.

#### **DIRECTORS' INDEMNITIES**

In accordance with the Company's articles of association and subject to the provisions of and so far as may be permitted by law, directors are indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by them in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or office.

**LAZARD ITALY LIMITED**

**Report of the Directors**  
**for the Year Ended 30 November 2017**

**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:

- 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 ought to have taken as a director to make himself 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.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption:

**ON BEHALF OF THE BOARD:**



.....  
R J Farrer-Brown - Director

29 August 2018

## **LAZARD ITALY LIMITED**

### **Statement of Directors' Responsibilities** **for the Year Ended 30 November 2017**

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 101 'Reduced Disclosure Framework'. 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;
- 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 Auditor to the Members of  
Lazard Italy Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Lazard Italy Limited which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position
- the Statement of Changes in Equity; and
- the related notes 1 to 15 including a summary of significant accounting policies as set out in note 1.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Report of the Independent Auditor to the Members of Lazard Italy Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Report of the Directors.



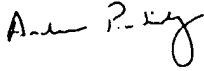
**Report of the Independent Auditor to the Members of  
Lazard Italy Limited**

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Report of the Directors and from the requirement to prepare a Strategic Report.

We have nothing to report in respect of these matters



Andrew Partridge (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

Date: 29 August 2018 .....

**LAZARD ITALY LIMITED****Statement of Comprehensive Income**  
**for the Year Ended 30 November 2017**

	Notes	2017 £	2016 £
<b>TURNOVER</b>		-	-
Administrative expenses		<u>(2,228)</u>	<u>(2,191)</u>
		(2,228)	(2,191)
Other operating income	2	<u>(7,236)</u>	<u>21,702</u>
<b>OPERATING (LOSS)/PROFIT</b>		(9,464)	19,511
Income from shares in group undertakings		4,578,427	4,634,685
Interest receivable and similar income	3	<u>40,494</u>	<u>20,334</u>
		4,609,457	4,674,530
Interest payable and similar expenses	4	<u>(25,000)</u>	<u>(25,000)</u>
<b>PROFIT BEFORE TAXATION</b>	5	4,584,457	4,649,530
Tax on profit	6	<u>15,640</u>	<u>63,079</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		4,600,097	4,712,609
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>4,600,097</u>	<u>4,712,609</u>

The notes on pages 11 to 15 form part of these financial statements

**LAZARD ITALY LIMITED (REGISTERED NUMBER: 03536047)**

**Statement of Financial Position**  
**30 November 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Investments	8	12,541,024	12,541,024
<b>CURRENT ASSETS</b>			
Debtors	9	2,879,849	2,766,179
Cash at bank		<u>87,155</u>	<u>245,783</u>
		2,967,004	3,011,962
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>(51,116)</u>	<u>(136,494)</u>
<b>NET CURRENT ASSETS</b>		<u>2,915,888</u>	<u>2,875,468</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		15,456,912	15,416,492
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	<u>(500,000)</u>	<u>(500,000)</u>
<b>NET ASSETS</b>		<u>14,956,912</u>	<u>14,916,492</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	3,999,717	3,999,717
Retained earnings		<u>10,957,195</u>	<u>10,916,775</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>14,956,912</u>	<u>14,916,492</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors and authorised for issue on 29 August 2018 and were signed on its behalf by:



.....  
R J Farrer-Brown - Director

The notes on pages 11 to 15 form part of these financial statements

**LAZARD ITALY LIMITED****Statement of Changes in Equity**  
**for the Year Ended 30 November 2017**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 December 2015</b>	3,999,717	10,923,832	14,923,549
<b>Changes in equity</b>			
Dividends	-	(4,719,666)	(4,719,666)
Total comprehensive income	-	<u>4,712,609</u>	<u>4,712,609</u>
<b>Balance at 30 November 2016</b>	<u>3,999,717</u>	<u>10,916,775</u>	<u>14,916,492</u>
<b>Changes in equity</b>			
Dividends	-	(4,559,677)	(4,559,677)
Total comprehensive income	-	<u>4,600,097</u>	<u>4,600,097</u>
<b>Balance at 30 November 2017</b>	<u>3,999,717</u>	<u>10,957,195</u>	<u>14,956,912</u>

The notes on pages 11 to 15 form part of these financial statements

## **LAZARD ITALY LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 30 November 2017**

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

##### **Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.

##### **Going concern**

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.

The Company is in a net asset position at year end and for this reason the directors continue to adopt the going concern basis in preparing the financial statements.

##### **Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position 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.

##### **Group accounts**

Group accounts of the Company and its subsidiaries have not been prepared because the Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company is a majority-owned subsidiary undertaking incorporated in the United Kingdom and registered in England and Wales.

##### **Fixed asset investments**

Fixed asset investments are held at cost less provision for impairment in value.

##### **Interest**

Interest receivable and payable is accounted for on an accruals basis.

##### **Dividends**

Dividends are recognised in the period in which they are declared and become present obligations of the Company.

#### **2. OTHER OPERATING INCOME**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other foreign exchange gains/(losses)	<u>(7,236)</u>	<u>21,702</u>

**LAZARD ITALY LIMITED****Notes to the Financial Statements - continued**  
**for the Year Ended 30 November 2017****3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Foreign exchange forward contract	<u>40,494</u>	<u>20,334</u>

**4. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest on intercompany loans	<u>25,000</u>	<u>25,000</u>

**5. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration for the audit of the annual accounts	<u>2,228</u>	<u>2,191</u>

**6. TAXATION****Analysis of tax income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deferred tax	<u>(15,640)</u>	<u>(63,079)</u>
Total tax income in statement of comprehensive income	<u>(15,640)</u>	<u>(63,079)</u>

**Factors affecting the tax expense**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit before income tax	<u>4,584,457</u>	<u>4,649,530</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	882,508	929,906
Effects of:		
Dividends not taxable	(881,347)	(926,937)
Foreign exchange loss	(18,871)	(77,180)
Deferred tax	<u>2,070</u>	<u>11,132</u>
Tax income	<u>(15,640)</u>	<u>(63,079)</u>

## **LAZARD ITALY LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 30 November 2017**

#### **7. DIVIDENDS**

	2017	2016
	£	£
Ordinary shares of £1 each		
Final	<u>4,559,677</u>	<u>4,719,666</u>

#### **8. INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 December 2016 and 30 November 2017	<u>12,541,024</u>
<b>NET BOOK VALUE</b>	
At 30 November 2017	<u>12,541,024</u>
At 30 November 2016	<u>12,541,024</u>

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

##### **Lazard S.R.L.**

Registered office: Via Dell'Orso 2, Milan, 20121

Nature of business: Financial Advisory

Class of shares:  
Ordinary

%  
holding  
99.00

#### **9. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017	2016
	£	£
Tax debtor	<u>2,879,849</u>	<u>2,766,179</u>

Foreign tax debtor of £2,801,130 (2017: £2,703,100) is included within the tax debtor balance, this relates to a reclaim of a tax credit from Italian tax authorities. The amount net of a provision is based on the best estimate of the expected transfer of economic benefit.

The remainder of the tax debtor balance relates to deferred tax of £78,719 (2016: £63,079). 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 17% with effect from 1 April 2020 (2016: 20%). It is believed that this asset will be fully recoverable.

# **LAZARD ITALY LIMITED**

## **Notes to the Financial Statements - continued** **for the Year Ended 30 November 2017**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	47,549	45,320
FX forward contract	<u>3,567</u>	<u>91,174</u>
	<u><b>51,116</b></u>	<u><b>136,494</b></u>

### **11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Preference shares (see note 12)	<u>500,000</u>	<u>500,000</u>

The preference shares are non-cumulative, non-redeemable and bear an interest rate of 5%. Lazard Italy Limited has no discretion over the payment of interest and there are no voting rights or other rights attached to these shares.

### **12. FINANCIAL LIABILITIES - BORROWINGS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Non-current:		
Preference shares	<u>500,000</u>	<u>500,000</u>

Terms and debt repayment schedule

	<b>More than 5 years</b>
	<b>£</b>
Preference shares	<u>500,000</u>

Details of shares shown as liabilities are as follows:

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

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2017</b>	<b>2016</b>
			<b>£</b>	<b>£</b>
500,000	Preference	£1	<u>500,000</u>	<u>500,000</u>

### **13. CALLED UP SHARE CAPITAL**

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

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2017</b>	<b>2016</b>
			<b>£</b>	<b>£</b>
3,999,717	Ordinary	£1	<u>3,999,717</u>	<u>3,999,717</u>



## **LAZARD ITALY LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 30 November 2017**

#### **14. 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, is Lazard & Co., Holdings Limited, a company incorporated and registered in England and Wales.

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

The Company's immediate controlling party is Lazard & Co., Limited, a company incorporated and registered in England and Wales.

#### **15. RELATED PARTY DISCLOSURES**

The Company has taken advantage of exemption, under the terms of IAS 24 paragraphs 17 and 18A Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.