

REGISTERED NUMBER: 00525667 (England and Wales)

LAZARD ASSET MANAGEMENT LIMITED

Strategic Report, Report of the Directors and

Audited Financial Statements for the Year Ended 31 December 2021

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LAZARD ASSET MANAGEMENT LIMITED

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LAZARD ASSET MANAGEMENT LIMITED

Company Information
for the Year Ended 31 December 2021

DIRECTORS:

J Reinsberg
N A Paul
J M Taylor
T D W Springhall

SECRETARY:

T Russell

REGISTERED OFFICE:

50 Stratton Street
London
W1J 8LL

REGISTERED NUMBER:

00525667 (England and Wales)

AUDITOR:

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

LAZARD ASSET MANAGEMENT LIMITED

Strategic Report **for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The profit for the year after taxation was £24,925,936 (2020: £24,508,449).

There have been no changes to the allotted share capital during the year.

KEY PERFORMANCE INDICATORS

Turnover was £13,465,767 (10.9%) higher than prior year at £136,859,081 (2020: £123,393,314). Turnover included a £11,258,175 (10.7%) increase over prior year in transfer pricing revenues earned through UK based portfolio management, research and analysis services and distribution fees on assets under management mandated to affiliate Lazard business units outside the UK. Management fees, including incentive fees, earned on UK mandated assets increased by £2,207,591 (12.0%), where the average assets under management increased by £161,750,000 (2.7%) on prior year to £6,129,816,000 (2020: £5,968,066,000).

Administrative expenses increased by £9,056,831 (9.1%) to £109,091,620 (2020: £100,034,789). This was primarily due to an increase in compensation expenses and transfer pricing expenses paid to non UK affiliates for portfolio management, research and analysis services.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties faced by the company include the loss of clients and withdrawal of assets under management due to influences from general market conditions, product types and the performance of the company's strategies. In order to mitigate these risks, the Lazard Asset Management group exerts strong control and oversight over its strategies and funds through the Lazard Oversight Committee, a global asset management committee based in New York which comprises the group's head of risk, senior management and investment professionals and through the London Operational Risk Committee ("LORC"). The company also calls on strong and experienced Marketing and Client Services departments to ensure clients are kept aware of market conditions and Lazard's relative performance through regular client meetings and reporting.

The Lazard Asset Management group takes appropriate steps to minimise the impact of operational risks faced by the company through the operation of the London Operating Committee ("LOC") and the LORC which oversee the company's risks and ensure that the company creates and implements processes to identify, measure and monitor those risks. The company, other than through acting as an asset manager, does not have any involvement in the use of financial instruments and the associated market risks of holding or trading in such instruments.

Credit risk is limited to amounts receivable from mandated clients.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, cash and cash equivalents are held in UK gilts, interest-bearing current accounts or short-term deposits with major financial institutions. The company also assesses the adequacy of its liquidity on a constant basis through its obligations under the regulatory requirements of the Financial Conduct Authority ("FCA").

The LORC monitors the impact of foreign exchange and cash flow risk on an ongoing basis.

The company managed its capital adequacy with reference to the Lazard Asset Management (UK) Holdings Limited group Internal Capital Adequacy Assessment Process (ICAAP), as required by the FCA. In particular, the ICAAP established the minimum capital requirement with reference to a number of stress tests and scenario analyses.

Details of Lazard Asset Management Limited approach to capital adequacy, as required under Pillar III of the Capital Requirements Directive are included in Lazard Asset Management (UK) Holdings Limited consolidated financial statements as of the year ended 31 December 2021, which also provide information regarding the remuneration policies and practices for those staff whose professional activities have a material impact on the group's risk profile. These financial statements can be obtained from the Registered Office, 50 Stratton Street, W1J 8LL.

The company has reviewed changes that will apply from 1st January 2022 under rules as set out in the new Investment Firms Prudential Regime and has concluded that the changes will not have a material impact on the regulatory capital requirement of the company, and that a sufficient capital surplus will be maintained after transition.

LAZARD ASSET MANAGEMENT LIMITED

Strategic Report **for the Year Ended 31 December 2021**

UNITED KINGDOM EXIT FROM THE EUROPEAN UNION

The UK left the European Union on 31 January 2020. Prior to that date, the UK adopted numerous European Union laws and regulations into UK domestic legislation in order to ensure continuity. However, the UK plans to evaluate the extent to which these European Union legacy laws should change going forward and in the future the UK may diverge from these laws and regulations and may decide not to adopt rules that correspond to future European Union legislation. To the extent that different regulatory systems impose overlapping or inconsistent requirements on the conduct of the company's business, the company may face additional complexity and costs in its compliance efforts, as well as potential increased costs to the extent the company is required to make further adjustments to how the company operates its business in the UK and/or the European Union. The company does not believe that this will have a material adverse impact on its business activities.

COVID-19 (CORONAVIRUS)

In March 2020, the World Health Organization declared the coronavirus ("COVID-19") a pandemic, which continues to affect the global community. The UK Government continued to implement social distancing measures during 2021, with the company continuing with remote working arrangements for most of its employees and restricted business travel; these arrangements and restrictions were modified during the year as per government guidance. As of 24 February 2022, the government started to remove social restrictions relating to COVID-19, from 1 April 2022 all remaining restrictions were removed.

These arrangements have not materially affected the company's ability to maintain and conduct its business operations, including the operation of financial reporting systems; internal controls over financial reporting and disclosure controls and procedures. While the COVID-19 pandemic had adversely affected the global economy, an economic recovery has since taken place. The nature and extent of COVID-19's effect on the company's operational and financial performance will continue to depend on future developments.

CONFLICT IN UKRAINE

The conflict in Ukraine, which began in February 2022, has affected market sentiment and increased market volatility. While the company has no direct exposure to clients or suppliers either in Ukraine or subject to sanctions imposed as a result of the conflict, the consequences of the global macroeconomic environment and how that will affect the business remain uncertain.

LAZARD ASSET MANAGEMENT LIMITED

Strategic Report **for the Year Ended 31 December 2021**

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of our stakeholders in our decision making as well as our responsibility to promote the success of the company in accordance with section 172 of the Companies Act 2006.

As directors of the company we are actively engaged in all elements of running a successful asset management business. We are persistently looking for opportunities to grow the business, while ensuring we have a long-term strategy in place in order to meet our objectives.

In doing this, we consider several factors:

- fostering our relationships with existing clients as well as developing relationships with new clients
- maintaining a reputation for the highest standards of business conduct
- acting in the best interests of the company's employees
- assessing the impact of the company's operations on the community and the environment
- ensuring the ongoing development of, and investment in, new initiatives
- acting fairly as between members of the company.

The board regularly reviews its principal stakeholders to ensure the very highest levels of engagement. The stakeholder voice is brought into the boardroom through direct engagement with the stakeholders themselves as well as through information provided from the management team.

We identify the following as key stakeholders in our company;

Our employees

Our business is built on the strength of our ideas and, therefore, our people are our most important asset. The talent, integrity and engagement of all of our employees has shaped our success to date, and they are instrumental in our ability to achieve sustainable growth. We strive to create a culture that fosters excellence, collaboration, innovation, empowerment, inclusion, and engagement.

Our human capital efforts are overseen by the board, with a focus on cultivating a workplace environment that attracts a diversity of perspectives and exceptional talent.

We work to foster a culture that actively invests in its employees, builds on personal and professional development, and facilitates internal mobility and networking, with the goal of ultimately increasing employee engagement. The Lazard LEAD (Learn, Engage, Achieve & Develop) initiative currently focuses on four pillars to help fulfil these goals: Education, professional development, Networking & Employee Engagement and Philanthropy.

We continue to invest in the well-being of our employees by offering benefits intended to meet the varied and evolving needs of our diverse workforce. This is addressed through the Work to Wellness program, an initiative that educates, motivates, and empowers employees to maintain a healthy and full life in and out of the workplace. We offer a wide range of resources including the Family Network Initiative to support employees and their families' emotional and financial well-being. We have also made investments in technology that enable remote and hybrid working options.

We strive to cultivate a workforce comprised of people with different backgrounds and experiences, which we believe creates an environment of cognitive diversity that promotes new ideas and innovations. A variety of affinity groups have been set up under IDEA (Inclusion, Diversity, Equity and Allyship) which connect our employees with individuals across the wider firm including the employee networks listed below:

- Lazard Proud: The group aims to connect LGBTQ+ colleagues and allies in a meaningful way through relevant events, and networking opportunities. Lazard Proud provides all Lazard employees with an avenue through which to increase awareness of, educate about, and engage with one another on relevant issues that affect the LGBTQ+ community.
- Lazard Plus: This is an employee-led group focused on enhancing, leveraging and developing Lazard's diverse culture. Lazard Plus aims to promote awareness and create a more inclusive work environment. This will be achieved through relevant education, events and other initiatives that support the recruitment, networking, retention and progression of employees from diverse ethnicities, cultural heritage, and nationalities.

LAZARD ASSET MANAGEMENT LIMITED

Strategic Report **for the Year Ended 31 December 2021**

SECTION 172(1) STATEMENT - continued

- Lazard Women's Leadership Network (LWLN). This is comprised of an employee-led group that serves as a resource for women looking to grow professionally and personally through development programs, career advancement and European networking opportunities. LWLN provide a forum for women to share professional experiences and best practices with both female and male colleagues across the organisation.

The board continues to enhance its methods of engagement with its employees primarily through employee engagement surveys, regular meetings, Town Hall events, the intranet, presentations and electronic communications sent regularly throughout the year which cover the following:

- providing employees systematically with information on matters of concern to them as employees
- consulting employees on a regular basis so that the views of employees can be considered in making decisions which are likely to affect their interests
- achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the group.

The wider community

The company continues to proactively think of ways it can increase environmental awareness and implement sustainable business practices ensuring Lazard is an environmentally conscious place to work. Some of the initiatives implemented include:

- increased usage of video conferences instead of client and employee travel and introducing a benefits scheme for ultra-low emission vehicles
- source and use of sustainable products where possible including eliminating plastic bottle usage
- identifying opportunities to avoid printing and where printing is necessary to use environmentally friendly ink and paper products for printers and copy centres
- use of renewable energy with 100% renewable electricity used.

The Lazard Climate Center was also formed, to provide rigorous, data-driven insights on the financial effects of climate change and the energy transition on companies and markets.

Lazard Green is another initiative set up which is an employee-led interest group that is committed to performing eco-friendly efforts in the workplace and communities around the globe. The group aims to build sustainability awareness, develop innovative solutions to reduce Lazard's global footprint and establish volunteer work in local communities to address environmental challenges.

The board continues to promote community engagement through a number of actions and initiatives including the Lazard Empowers initiative. This program supports UK students from lower socio-economic backgrounds by inspiring these students when it comes to thinking about their future careers, preparing them to have the skills to support their future career success and empowering them to fulfil their professional potential and aspirations. To deliver its mission, Lazard Empowers will deepen its partnership with non-profit SEO London by sponsoring its social mobility focused programme that works with secondary school students aged 15-18 years from lower socio-economic backgrounds.

Our clients

The business offers a broad range of global investment solutions and investment management services to corporations, governments, endowments and foundations, financial institutions, and high net worth individuals.

Global fundamental research is the foundation of our investment approach. Our investment teams collaborate on detailed fundamental analysis integrating knowledge across regions, sectors and asset classes to arrive at unique insights with a key focus around sustainability and technology.

Our goal is to produce superior risk adjusted investment returns and provide customised investment solutions for our clients through the active management of their portfolios.

LAZARD ASSET MANAGEMENT LIMITED

Strategic Report
for the Year Ended 31 December 2021

SECTION 172(1) STATEMENT - continued

Suppliers

We work closely with our suppliers and the administrators of our clients' investments, where we exert a high level of oversight and demand full transparency.

It is the company's intention to agree appropriate terms of payment with suppliers and to abide by those terms based on the timely submission of valid invoices. In the absence of agreed terms, the company's policy is to pay within 30 days from receipt of a valid invoice.

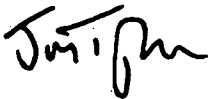
We view the relationship with our administrators as a partnership and look to innovation and evolution of technology to help drive a better service for our clients.

Regulators and tax authorities

The company insists on the highest standard of professionalism and integrity from our employees who are expected to refrain from any conduct or behaviours that could be perceived unfavourably. This extends to dealing honestly and openly with regulators and tax authorities and in compliance with all the relevant laws and regulations in place.

The company results are published and available to view on the Companies House website and will also be made available upon request from the registered address on the Company Information page.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:



J M Taylor - Director

26 April 2022

LAZARD ASSET MANAGEMENT LIMITED

Report of the Directors **for the Year Ended 31 December 2021**

The directors present their annual report with the audited financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

Lazard Asset Management Limited ("the company") is a wholly-owned subsidiary of Lazard Asset Management (UK) Holdings Limited and acts as an asset manager, providing investment advisory, trading, marketing, client services and limited operational support.

There have not been any significant changes in the company's principal activities in the year under review and the company expects to continue to trade in this way for the foreseeable future.

Information on Principle Risks and Uncertainties are detailed within the Strategic Report.

The company is regulated by the Financial Conduct Authority ("FCA").

DIVIDENDS

An interim dividend of £2.186 per share was paid on 21 May 2021 (2020: £2.404 per share), a further dividend of £0.546 per share was paid on 10 November 2021 (2020: £0.437 per share). The directors recommend that no final dividend be paid (2020: £nil).

The total distribution of dividends for the year ended 31 December 2021 was £25,000,000 (2020: £26,000,000).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

J Reinsberg
N A Paul
J M Taylor
T D W Springhall

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

As can be seen from the statement of financial position, the company has considerable financial resources 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.

The company's directors have assessed the situation and have a strong business model and as indicated on the statement of financial position, the company has sufficient financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully throughout the business cycle.

EMPLOYEES

The company gives full and fair consideration to the employment of disabled persons having regard to their particular aptitudes and abilities. Employees who are disabled are treated in the same way as all other employees as far as continuing employment, training and career development are concerned.

The company provides employees with information on matters of interest to them by means of memoranda and the Group's intranet notice board. Information regarding our investment in human capital is contained in Section 172(1) Statement of the Strategic Report.

LAZARD ASSET MANAGEMENT LIMITED

Report of the Directors **for the Year Ended 31 December 2021**

SUPPLIERS

We work closely with our suppliers and the administrators of our clients' investments, where we exert a high level of oversight and demand full transparency.

It is the company's intention to agree appropriate terms of payment with suppliers and to abide by those terms based on the timely submission of valid invoices. In the absence of agreed terms, the company's policy is to pay within 30 days from receipt of a valid invoice.

We view the relationship with our administrators as a partnership and look to innovation and evolution of technology to help drive a better service for our clients.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

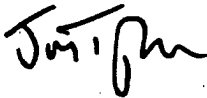
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor 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.

AUDITOR

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 the auditor for a further term under the provisions of Section 487(2) of the Companies Act 2006.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:



J M Taylor - Director

26 April 2022

LAZARD ASSET MANAGEMENT LIMITED

Statement of Directors' Responsibilities **for the Year Ended 31 December 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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.

Independent auditor's report to the members of Lazard Asset Management Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Lazard Asset Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 Financial Reporting Council's ('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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Independent auditor's report to the members of Lazard Asset Management Limited - continued

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included compliance with Financial Conduct Authority ('FCA') requirements, regulatory capital requirements. Additionally, the company complies with applicable UK work, health and safety legislation.

We discussed among the audit engagement team including relevant internal specialists such as tax, and pensions specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our specific procedures performed to address it are described below:

- Management fees are accounted for based on assets under management and fee rates as set out in the underlying investment management agreements. There is a risk that inputs relating to fund under management or fee rates are incorrect or transactions are not recognised in the appropriate period. We developed an understanding of the process for calculating and accruing management fees, and tested a sample of revenue transactions to ensure that the correct inputs were used in the calculation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

Independent auditor's report to the members of Lazard Asset Management Limited - continued

Extent to which the audit was considered capable of detecting irregularities, including fraud – continued

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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

- the information given in the Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Report of the Directors have 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 Strategic Report and Report of the Directors.

Matters on which we are required to report by exception

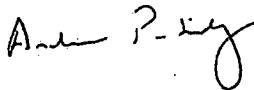
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



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

26 April 2022

LAZARD ASSET MANAGEMENT LIMITED**Statement of Comprehensive Income**
for the Year Ended 31 December 2021

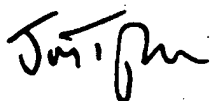
	Notes	2021 £	2020 £
TURNOVER	3	136,859,081	123,393,314
Administrative expenses		<u>(109,091,620)</u>	<u>(100,034,789)</u>
		27,767,461	23,358,525
Other operating income	4	<u>1,752,897</u>	<u>5,691,535</u>
OPERATING PROFIT	7	29,520,358	29,050,060
Income from shares in group undertakings		350,000	575,000
Interest receivable and similar income	9	<u>-</u>	<u>76,395</u>
PROFIT BEFORE TAXATION		29,870,358	29,701,455
Tax on profit	10	<u>(4,944,422)</u>	<u>(5,193,006)</u>
PROFIT FOR THE FINANCIAL YEAR		24,925,936	24,508,449
OTHER COMPREHENSIVE (LOSS)/INCOME			
Actuarial movements in pension schemes	21	(126,900)	57,510
Income tax relating to other comprehensive (loss)/income		<u>31,725</u>	<u>(10,927)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(95,175)</u>	<u>46,583</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>24,830,761</u></u>	<u><u>24,555,032</u></u>

The notes form part of these financial statements

LAZARD ASSET MANAGEMENT LIMITED (REGISTERED NUMBER: 00525667)**Statement of Financial Position
31 December 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	1,046,072	597,731
Investments	13	<u>32,870,459</u>	<u>28,325,789</u>
		<u>33,916,531</u>	<u>28,923,520</u>
CURRENT ASSETS			
Debtors	14	9,677,789	14,579,092
Prepayments and accrued income		8,155,148	5,537,865
Cash at bank		<u>56,508,349</u>	<u>51,211,366</u>
		74,341,286	71,328,323
CREDITORS			
Amounts falling due within one year	15	<u>(63,062,834)</u>	<u>(56,234,906)</u>
NET CURRENT ASSETS		<u>11,278,452</u>	<u>15,093,417</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		45,194,983	44,016,937
CREDITORS			
Amounts falling due after more than one year	16	(10,567,180)	(9,303,848)
PROVISIONS FOR LIABILITIES	19	<u>(3,992,269)</u>	<u>(3,908,316)</u>
NET ASSETS		<u><u>30,635,534</u></u>	<u><u>30,804,773</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	9,150,000	9,150,000
Retained earnings		<u>21,485,534</u>	<u>21,654,773</u>
SHAREHOLDERS' FUNDS		<u><u>30,635,534</u></u>	<u><u>30,804,773</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2022 and were signed on its behalf by:



J M Taylor - Director

The notes form part of these financial statements

LAZARD ASSET MANAGEMENT LIMITED**Statement of Changes in Equity**
for the Year Ended 31 December 2021

	Notes	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020		9,150,000	23,099,741	32,249,741
Changes in equity				
Dividends	11	-	(26,000,000)	(26,000,000)
Total comprehensive income		-	24,555,032	24,555,032
Balance at 31 December 2020		<u>9,150,000</u>	<u>21,654,773</u>	<u>30,804,773</u>
Changes in equity				
Dividends	11	-	(25,000,000)	(25,000,000)
Total comprehensive income		-	24,830,761	24,830,761
Balance at 31 December 2021		<u>9,150,000</u>	<u>21,485,534</u>	<u>30,635,534</u>

The notes form part of these financial statements

LAZARD ASSET MANAGEMENT LIMITED

Notes to the Financial Statements **for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Lazard Asset Management Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. 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 as modified by the revaluation of certain assets.

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 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Lazard Asset Management 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 undertakings are included by full consolidation in the consolidated financial statements of its parent, Lazard Asset Management (UK) Holdings Limited, which may be obtained from The Secretary, Lazard Asset Management (UK) Holdings Limited, 50 Stratton Street, London W1J 8LL.

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 at least twelve months from the date when the financial statements are authorised for issue. For this reason the directors continue to adopt the going concern basis in preparing the financial statements. Further information can be found in the Report of the Directors on page 7.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. No critical accounting judgements have been made. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Deferred tax

Deferred tax assets are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Pension

The defined benefit obligation is calculated by independent actuaries using the projected unit credit method and the principal assumptions used are set out in note 21.

LAZARD ASSET MANAGEMENT LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover represents investment management and distribution fees receivable during the year excluding value added tax. Turnover is recorded on an accrual basis.

The company contracts with affiliates for distribution and other investment management services to be performed jointly on behalf of certain clients and other funds. Such arrangements with affiliates generally are priced as a portion of the management fee paid by the client or fund. Where the company has the primary relationship with the client or fund the company is responsible for collecting the fee and paying the fee share to affiliates on a limited recourse basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Improvements to property	over life of lease
Fixtures and fittings	10 years straight-line
Computers and office equipment:	
- computers	3 years straight-line
- audio visual & network costs	5 years straight-line
- office equipment	10 years straight-line

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities and equity

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial liabilities

Financial liabilities are classified as FVTPL or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss account.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

LAZARD ASSET MANAGEMENT LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs

The pension cost relating to the UK defined benefit schemes is assessed in accordance with the advice of independent qualified actuaries, so as to recognise the cost of pensions on a systematic basis over the employees' service lives.

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits. Actuarial gains and losses are recognised immediately in the statement of other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date.

For defined contribution schemes the amount charged to the statement of comprehensive income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

LAZARD ASSET MANAGEMENT LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Share-based payments

The company has applied the requirements of Section 26 of FRS 102 Share-based payments.

Lazard Limited, on behalf of the company, awards restricted stock units ("RSUs") in Lazard Limited to selected employees within the company. From a Lazard Limited group perspective these are treated as equity-settled. The fair value of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Lazard Limited estimate of shares that will eventually vest. Fair value is measured by use of the Lazard Limited share price at the statement of financial position date.

From the company's perspective these share-based payments are treated as cash settled as the company is obliged to settle the cash equivalent of the actual cost of the stock when the awards have vested. The company has recognised a liability equal to the portion of the goods or services received at the statement of financial position date based on the fair value of the liability determined at each statement of financial position date, since the company is obliged to settle the cash equivalent of the actual cost of the stock when the awards have vested.

Investments

Investments comprise investments in subsidiaries and listed investments.

Investments in subsidiaries are stated at cost less any impairment in value in the company's statement of financial position. Any profit or loss from the sale of a subsidiary are presented separately on the face of the income statement.

Listed investments are carried at fair value, any changes in fair value are recognised through profit or loss. Fair value is measured by use of the quoted share price of the investments at the statement of financial position.

Interest receivable and payable

All interest receivable and payable is reflected in the income statement as it accrues.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

	2021 £	2020 £
Investment Management, distribution and administration fee shares collected from affiliates	116,289,868	105,031,693
Investment Management, distribution and administration fee shares collected for affiliates	11,324,079	9,481,225
Other investment management fees	<u>9,245,134</u>	<u>8,880,396</u>
	<u>136,859,081</u>	<u>123,393,314</u>

4. OTHER OPERATING INCOME

	2021 £	2020 £
Other Income	2,589	2,937
Other foreign exchange (losses) / gains	(477,992)	1,167,701
Fixed asset investments - revaluation	1,746,798	5,678,890
Fixed asset investments - foreign exchange movement	<u>481,502</u>	<u>(1,157,993)</u>
	<u>1,752,897</u>	<u>5,691,535</u>

LAZARD ASSET MANAGEMENT LIMITED**Notes to the Financial Statements - continued**
for the Year Ended 31 December 2021**5. EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	57,733,918	53,969,027
Social security costs	7,880,239	7,510,602
Other pension costs	<u>1,144,410</u>	<u>1,170,405</u>
	<u>66,758,567</u>	<u>62,650,034</u>

The average number of employees, including directors, during the year was as follows:

2021	2020
<u>134</u>	<u>129</u>

Other pension costs excludes £126,900 actuarial loss (2020: £57,510 gain) recognised in statement of other comprehensive income.

6. DIRECTORS' EMOLUMENTS

The directors' emoluments and details of directors' transactions disclosed below relate to those directors of the company who provided their services either wholly or primarily to the company.

Aggregate emoluments paid to directors and former directors for services in respect of the company and its subsidiaries for 2021 amounted to £1,948,412 (2020: £1,561,225). Further disclosure is provided in the Lazard Asset Management (UK) Holdings Limited group accounts.

7. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Other operating leases	1,889,001	1,855,427
Depreciation - owned assets	<u>355,181</u>	<u>230,995</u>

8. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	227,605	188,229
Auditor services relating to taxation	1,000	2,005
Client assets assurance opinion fees	6,663	6,663
Other non- audit services	<u>56,375</u>	<u>56,375</u>

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Deposit account interest	-	69,953
Other interest income	<u>-</u>	<u>6,442</u>
	<u>-</u>	<u>76,395</u>

LAZARD ASSET MANAGEMENT LIMITED**Notes to the Financial Statements - continued**
for the Year Ended 31 December 2021**10. TAXATION****Analysis of the tax charge**

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

	2021 £	2020 £
Current tax:		
Current year charge	6,039,294	5,677,333
Adjustment in respect of previous periods	<u>(161,605)</u>	<u>(67,652)</u>
Total current tax	<u>5,877,689</u>	<u>5,609,681</u>
Deferred tax:		
Current year credit	(500,390)	(223,372)
Adjustments in respect of previous periods	163,074	188,722
Changes in tax rate	<u>(595,951)</u>	<u>(382,025)</u>
Total deferred tax	<u>(933,267)</u>	<u>(416,675)</u>
Tax on profit	<u>4,944,422</u>	<u>5,193,006</u>

UK corporation tax has been charged at 19% (2020: 19%).

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:

	2021 £	2020 £
Profit before tax	<u>29,870,358</u>	<u>29,701,455</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	5,675,368	5,643,276
Effects of:		
Expenses not deductible for tax purposes	5,193	270
Adjustments to tax charge in respect of previous periods	1,469	121,070
Dividends not taxable	(66,500)	(109,250)
Deferred tax recognised at different rates	(671,108)	(382,025)
Investment valuations and other items	<u>-</u>	<u>(80,335)</u>
Total tax charge	<u>4,944,422</u>	<u>5,193,006</u>

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	2021 Net £
Actuarial movements in pension schemes	<u>(126,900)</u>	<u>31,725</u>	<u>(95,175)</u>

LAZARD ASSET MANAGEMENT LIMITED

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

10. TAXATION - continued

	Gross	Tax	2020
	£	£	Net
			£
Actuarial movements in pension schemes	<u>57,510</u>	<u>(10,927)</u>	<u>46,583</u>

11. DIVIDENDS

	2021	2020
	£	£
Ordinary shares of £1 each		
Paid:		
Interim dividend for the year ended 31 December 2021 £2.732		
(2020: £2.841) per ordinary share	<u>25,000,000</u>	<u>26,00,000</u>

12. TANGIBLE FIXED ASSETS

	Improvements	Fixtures	Computer	
	to property	and	equipment	Totals
	£	fittings	£	£
		£		
COST				
At 1 January 2021	2,056,937	1,252,547	1,735,240	5,044,724
Additions	383,216	54,654	365,917	803,787
Reclassification/transfer	(2)	(295)	32	(265)
At 31 December 2021	<u>2,440,151</u>	<u>1,306,906</u>	<u>2,101,189</u>	<u>5,848,246</u>
DEPRECIATION				
At 1 January 2021	1,681,506	1,186,036	1,579,451	4,446,993
Charge for year	<u>179,714</u>	<u>17,841</u>	<u>157,626</u>	<u>355,181</u>
At 31 December 2021	<u>1,861,220</u>	<u>1,203,877</u>	<u>1,737,077</u>	<u>4,802,174</u>
NET BOOK VALUE				
At 31 December 2021	<u>578,931</u>	<u>103,029</u>	<u>364,112</u>	<u>1,046,072</u>
At 31 December 2020	<u>375,431</u>	<u>66,511</u>	<u>155,789</u>	<u>597,731</u>

LAZARD ASSET MANAGEMENT LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Listed investments £	Totals £
COST OR VALUATION			
At 1 January 2021	1,950,000	26,375,789	28,325,789
Additions	-	20,413,836	20,413,836
Disposals	-	(18,097,466)	(18,097,466)
Revaluations	-	1,746,798	1,746,798
Foreign exchange movement	-	481,502	481,502
At 31 December 2021	<u>1,950,000</u>	<u>30,920,459</u>	<u>32,870,459</u>
NET BOOK VALUE			
At 31 December 2021	<u>1,950,000</u>	<u>30,920,459</u>	<u>32,870,459</u>
At 31 December 2020	<u>1,950,000</u>	<u>26,375,789</u>	<u>28,325,789</u>

Cost or valuation at 31 December 2021 is represented by:

	Shares in group undertakings £	Listed investments £	Totals £
Valuation in 2021	-	30,920,459	30,920,459
Cost	<u>1,950,000</u>	<u>-</u>	<u>1,950,000</u>
	<u>1,950,000</u>	<u>30,920,459</u>	<u>32,870,459</u>

Shares in group undertakings:

In the opinion of the directors, the value of the company's investment in subsidiary companies is not less than their carrying value.

The following is the principal subsidiary company of the company:

Name	Registered Office	Share Description	Percentage Held
Lazard Fund Managers Limited	50 Stratton Street, London. W1J 8LL, United Kingdom	Ordinary £1	100%

Listed Investments:

Listed investments include Lazard Fund Interest "LFI's" investments in order to satisfy the company's liability upon vesting of previously granted LFI's and other similar deferred compensation arrangements. LFI's represent grants by the company to eligible employees of actual or notional interests in a number of Lazard-managed funds, subject to service based vesting conditions.

LAZARD ASSET MANAGEMENT LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****14. DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	59,687	414,188
Amounts owed by group undertakings	5,204,702	10,790,949
Other debtors	133,451	118,161
Foreign exchange contracts	79,793	20,630
	<u>5,477,633</u>	<u>11,343,928</u>

The remaining balance of amounts owed by group undertakings is made up of intercompany trading balances which are all unsecured, have no specified repayment terms and do not accrue interest.

Amounts falling due after more than one year:		
Deferred tax asset	<u>4,200,156</u>	<u>3,235,164</u>
Aggregate amounts	<u>9,677,789</u>	<u>14,579,092</u>

Deferred Tax Asset

	Pensions £	UK capital allowances £	Deferred Compensation £	Unrealised gains on investments £	Total £
At 1 January 2021	-	(55,890)	4,016,382	(725,328)	3,235,164
(Charge) / credit to profit and loss	(31,756)	(46,419)	1,054,549	(43,107)	933,267
Credit to OCI	31,725	-	-	-	31,725
At 31 December 2021	<u>(31)</u>	<u>(102,309)</u>	<u>5,070,931</u>	<u>(768,435)</u>	<u>4,200,156</u>

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. UK deferred taxation has been calculated at the rate of corporation tax at which the deferred tax asset is expected to crystallise, reflecting a blend of the presently enacted rate of 19% in 2021 to the expected increased rate of 25% in 2023 (2020: 19%). There are no expiry dates on any of the timing differences above.

The directors believe the company will make sufficient profits in the future to realise the benefit of the deferred tax asset.

The amount of the net reversal of deferred tax expected to occur in 2022 is £2,648,951, relating to the reversal of existing timing differences on tangible fixed assets, deferred remuneration and unrealised gains on investments. This estimate does not include any new timing differences expected to arise during 2022.

LAZARD ASSET MANAGEMENT LIMITED**Notes to the Financial Statements - continued**
for the Year Ended 31 December 2021**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade creditors	16,950	287
Amounts owed to group undertakings	20,317,637	17,924,249
Tax	1,419,396	5,488,609
Social security and other taxes	4,264,285	3,374,943
VAT	63,997	137,620
Accruals and deferred income	<u>36,980,569</u>	<u>29,309,198</u>
	<u>63,062,834</u>	<u>56,234,906</u>

The remaining balance of amounts owed to group undertakings is made up of intercompany trading balances which are all unsecured, have no specified repayment terms and do not accrue interest.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Accruals and deferred income	<u>10,567,180</u>	<u>9,303,848</u>

Accruals and deferred income relates to the company's liability upon vesting of previously granted Lazard Fund Interests "LFI's". LFI's represent grants by the company to eligible employees of actual or notional interests in a number of Lazard Managed Funds, subject to service based vesting conditions.

17. LEASING AGREEMENTS

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

	2021	2020
	£	£
Within one year	1,728,069	1,875,464
Between one and five years	<u>7,082,845</u>	<u>894,057</u>
	<u>8,810,914</u>	<u>2,769,521</u>

18. FINANCIAL INSTRUMENTS

The company is exempt from FRS 102 section 11 Basic Financial Instrument Disclosures as full disclosure is provided in the Lazard Asset Management (UK) Holdings Limited group accounts.

19. PROVISIONS FOR LIABILITIES

	NI on Deferred Remuneration £
Balance at 1 January 2021	3,908,316
Charged to statement of comprehensive income during the year	1,922,850
Utilised during the year	<u>(1,838,897)</u>
Balance at 31 December 2021	<u>3,992,269</u>

Provisions have been made for National Insurance ("NI") on deferred remuneration. This is based on the Lazard Limited share price at 31 December 2021 of \$43.63 (2020: \$42.30) at an NI rate of 13.8% (2020: 13.8%). Outstanding RSUs at 31 December 2021 had a weighted average remaining contractual life of 0.82 (2020: 0.74) years, with the last vesting date in 2021. Refer to note 25 for RSUs.

LAZARD ASSET MANAGEMENT LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****20. CALLED UP SHARE CAPITAL**

	2021 £	2020 £
Allotted, called up and paid:		
9,025,000 (2020: 9,025,000) ordinary shares of £1 each, fully paid	9,025,000	9,025,000
500,000 (2020: 500,000) ordinary shares of £1 each, 25p called up and paid, there are no plans to call the remaining 75p.	125,000	125,000
	<u>9,150,000</u>	<u>9,150,000</u>

21. EMPLOYEE BENEFIT OBLIGATIONS

During 2021, the company operated a defined benefit pension scheme with assets held in a trustee-administered fund. In addition, contributions were made to personal pension schemes, including stakeholder arrangements for certain individuals.

The defined benefit scheme was closed to new members with effect from 1 January 2002. In 2005 the company made the decision to cease future accrual of benefit entitlements under the scheme with effect from 31 March 2006. Following cessation of accrual, substantially all of the employees are now members of the defined contribution Lazard Stakeholder scheme.

The defined benefit scheme is in a surplus position at the end of 2021. In accordance with FRS 102 the asset shown on the statement of financial position at the year end was restricted to zero for the defined benefit scheme.

Actuarial Assumptions

The defined benefit scheme had a full valuation by independent qualified actuaries as at 31 December 2019, and was updated to 31 December 2021 using the projected unit method, taking assets at fair value. The major assumptions applicable were:

	2021	2020	2019
Discount rate	1.86%	1.32%	1.90%
Pension increase rate	3.79%	3.61%	3.69%
Indexation in deferment (based on CPI inflation % pa)	2.90%	2.40%	2.25%
Life expectancy of male/female aged 65 at accounting date	22.7/24.9	22.7/24.9	23.2/25.0
Life expectancy of male/female aged 65 in 20 years time	24.1/26.0	24.0/26.0	25.0/26.5

Contributions

On 30 March 2021, Lazard and the Trustees concluded the 31 December 2019 triennial valuations of the plan. In connection with such valuations, Lazard and the Trustees agreed upon pension funding terms pursuant to which Lazard Asset Management Limited agreed to make contributions by way of ten annual payments of £108,000 from 2021 to 2030. During 2021 contributions totalling £108,000 were paid into the scheme operated by Lazard Asset Management Limited (2020: £nil).

Under a long-term funding agreement the objective is to fully fund the pension schemes on a buyout basis by 2030.

The company paid administrative expenses to the plan of £97,863 (2020: £81,452).

LAZARD ASSET MANAGEMENT LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****21. EMPLOYEE BENEFIT OBLIGATIONS - continued****Expenses recognised in the profit or loss**

	2021	2020
	£	£
Running costs	78,840	85,050
Past service costs	-	54,000
	<u>78,840</u>	<u>139,050</u>

Amounts recognised outside of the profit or loss

	2021	2020
	£	£
Remeasurements	(6,478,380)	(4,022,190)
Change in limit other than assets	6,605,280	3,964,680
	<u>126,900</u>	<u>(57,510)</u>

The amount included in the statement of financial position arising from the company's obligations in respect of its defined benefit retirement benefit scheme is as follows:

	2021	2020
	£	£
Present value of scheme liabilities	(79,929,990)	(85,611,600)
Fair value of scheme assets	<u>90,720,540</u>	<u>89,742,330</u>
Surplus in the scheme	10,790,550	4,130,730
Surplus restriction	<u>(10,790,550)</u>	<u>(4,130,730)</u>
Net liability recognised in the statement of financial position	<u>-</u>	<u>-</u>

The overall expected return on assets has been calculated as the weighted average of the expected return for the major asset categories.

Movement in the net statement of financial position

	2021	2020
	£	£
Opening liability	-	-
Expenses charged to the profit or loss	78,840	139,050
Amounts recognised outside the profit or loss	126,900	(57,510)
Employer contributions	<u>(205,740)</u>	<u>(81,540)</u>
Closing liability	<u>-</u>	<u>-</u>

LAZARD ASSET MANAGEMENT LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****21. EMPLOYEE BENEFIT OBLIGATIONS - continued****Movement in the present value of the defined obligation**

	2021 £	2020 £
Opening balance	(85,611,600)	(81,410,400)
Interest on plan liabilities	(1,112,400)	(1,517,670)
Actuarial gain / (loss)	4,117,500	(5,727,240)
Benefits paid	2,676,510	3,097,710
Past service costs	-	(54,000)
Closing balance	<u>(79,929,990)</u>	<u>(85,611,600)</u>

Movement in the fair value of the schemes assets

	2021 £	2020 £
Opening balance	89,742,330	81,573,480
Interest on plan assets	1,166,940	1,520,640
Return on plan assets (excluding amounts included in net interest cost)	2,360,880	9,749,430
Contributions from the employer	205,740	81,540
Running costs	(78,840)	(85,050)
Benefits paid	<u>(2,676,510)</u>	<u>(3,097,710)</u>
Closing balance	<u>90,720,540</u>	<u>89,742,330</u>

Fair value of scheme assets

	Allocation 2021 %	Value 2021 £	Allocation 2020 %	Value 2020 £
Equities	28%	25,168,320	28%	25,294,140
Bonds/matching funds	57%	51,731,460	57%	51,190,650
Absolute return funds	12%	10,740,600	11%	9,846,630
Private credit	2%	2,202,120	3%	2,307,960
Insurance policies	0%	82,350	0%	97,200
Other	1%	<u>795,690</u>	1%	<u>1,005,750</u>
Total	100%	<u>90,720,540</u>	100%	<u>89,742,330</u>

LAZARD ASSET MANAGEMENT LIMITED

Notes to the Financial Statements - continued **for the Year Ended 31 December 2021**

22. ULTIMATE PARENT COMPANY

Lazard Limited (incorporated in Bermuda) is regarded by the directors as being the company's ultimate parent company and is the largest group which includes the company and for which group accounts are prepared. Lazard Limited is also the ultimate controlling party of the company.

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

The company's immediate controlling party is Lazard Asset Management (UK) Holdings Limited, a company incorporated and registered in England and Wales.

The parent company of the smallest group, which includes the company and for which the accounts are to be prepared, is Lazard Asset Management (UK) Holdings Limited, a company incorporated and registered in England and Wales.

Copies of Lazard Asset Management (UK) Holdings Limited financial statements may be obtained from The Secretary, Lazard Asset Management (UK) Holdings Limited, 50 Stratton Street, London W1J 8LL.

23. CAPITAL COMMITMENTS

The company currently has no commitments.

24. 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. The related party debtors and creditors balances as at year end have been disclosed within notes 14 and 15.

25. SHARE-BASED PAYMENT TRANSACTIONS - RESTRICTED STOCK UNITS

Lazard Limited, on behalf of the company, has awarded restricted stock units ("RSU") of Lazard Limited to selected employees of the company.

	Number of RSU's	Weighted average grant price 2021	Market price 2021
Outstanding at 1 January 2021	495,671	\$43.58	\$42.30
Granted during the year	143,078	\$43.11	-
Forfeited during the year	(1,552)	\$41.21	-
Vested during the year	(203,871)	\$48.59	-
Outstanding at 31 December 2021	433,326	\$41.08	\$43.63
Exercisable at 31 December 2021	-	-	-

Outstanding RSU's at 31 December 2021 had a weighted average remaining contractual life of 0.82 years (2020: 0.74 years). The company recognised total expenses of £7,769,319 (2020: £7,583,458) related to RSU transactions.

The fair value of the outstanding RSU's is determined with reference to the closing market price of Lazard Limited stock at 31 December 2021.