

LAZARD FRÈRES & CO., LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

REGISTERED NUMBER: 2110588

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LAZARD FRÈRES & CO., LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the financial statements for the year ended 31 December 2009

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 415(A) (1) & (2) of the Companies Act 2006

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company is an investment holding company. Its wholly owned subsidiary, Lazard Frères KK, a company incorporated in Japan, is engaged in the business of investment banking.

RESULTS AND DIVIDENDS

The Company made a loss after tax of £112,999 (2008: £nil)

DIRECTORS DURING THE YEAR

The names of the directors who served throughout the year, are as follows:

J V Hansford

R J Farrer-Brown (appointed 15 June 2010)

C G Ward III (resigned 15 June 2010)

COMPANY SECRETARY

R J Farrer-Brown

GOING CONCERN BASIS

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.

AUDITORS

For the year ended 31 December 2009 the Company was entitled to exemption under section 477 of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

DIRECTORS' RESPONSIBILITIES

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

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

LAZARD FRÈRES & CO., LIMITED

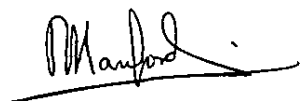
REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES (continued)

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- (d) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

By order of the Board and signed on their behalf



Director / Secretary J V Hansford

50 Stratton Street
London
W1J 8LL

29 September 2010

LAZARD FRÈRES & CO., LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
Amounts written off investment	6	(112,999)	-
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(112,999)	-
Tax credit / (charge) on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(112,999)</u>	<u>-</u>

The Company has no recognised gains or losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented. A reconciliation of the movements in shareholders' funds is shown in note 8.

The notes on pages 5 to 9 form an integral part of these financial statements.

All activities derive from continuing operations.

LAZARD FRÈRES & CO., LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2009**

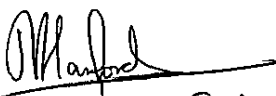
	Note	2009 £	2008 £
FIXED ASSETS			
Investments in subsidiaries	6	1	113,000
		<hr/> 1	<hr/> 113,000
CURRENT ASSETS			
Cash at bank and in hand		18,060	18,060
		<hr/> 18,060	<hr/> 18,060
NET CURRENT ASSETS		<hr/> 18,060	<hr/> 18,060
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 18,061	<hr/> 131,060
CAPITAL AND RESERVES			
Called up share capital	7	50,000	50,000
Profit and loss account	9	(31,939)	81,060
		<hr/>	<hr/>
TOTAL EQUITY SHAREHOLDERS' FUNDS	8	<hr/> 18,061	<hr/> 131,060

The financial statements were approved by the Board of Directors on 29 September 2010

For the year ended 31 December 2009 the company was entitled to exemption under section 477 of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Signed on behalf of the Board of Directors


Director S V Hunsford

Company registration number: 2110588

LAZARD FRÈRES & CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1. PRINCIPAL ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below

Basis of accounting

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

Group accounts

Group accounts of the Company and its subsidiary have not been prepared as the group is exempt under section 649 of the Companies Act 2006 from the requirement as it qualifies as a small/medium-sized group

Fixed asset investments

Fixed asset investments are stated at cost, less provision for any impairment

2. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard 8, and accordingly has not disclosed transactions with entities that are part of the same group. There were no other related party transactions requiring disclosure.

3. CASH FLOW STATEMENT

The Company is exempt from preparing a cash flow statement under paragraph 5(f) of Financial Reporting standard No 1 (revised 1996) "Cash Flow Statements"

4. DIRECTORS EMOLUMENTS

There were no directors' fees or other emoluments for their services to this Company during the current or previous year. The Company has no employees (2008 nil)

LAZARD FRÈRES & CO., LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2009**

5. TAXATION

	2009 £	2008 £
UK corporation tax at 28% (2008 28.5%)	-	-
Prior year (credit) / charge	-	-
	<u>-</u>	<u>-</u>

There is no provision for deferred taxation (2008 £nil)

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 28% (2008 28.5%). The current year tax charge for the year is more than 28% (2008 28.5%) for the reasons set out in the following reconciliation

	2009 £	2008 £
(Loss) / profit on ordinary activities before tax	(112,999)	-
Tax on (loss) / profit on ordinary activities at standard rate	(31,640)	-
Taxable profit from investment	-	-
Amounts written off investment	31,640	-
Current tax (credit) / charge for the year	<u>-</u>	<u>-</u>

6. FIXED ASSET INVESTMENTS

Fixed asset investments comprise of a 100% holding in the ordinary capital of Lazard Frères KK, a wholly-owned subsidiary incorporated in Japan

	Interest in group undertakings £
Cost	
At 1 January 2009	113,000
Write off	-
At 31 December 2009	<u>113,000</u>
Provision	
At 1 January 2009	-
Write off	(112,999)
At 31 December 2009	<u>(112,999)</u>
Balance at 31 December 2009	<u>1</u>
Balance at 31 December 2008	<u>113,000</u>

In the opinion of the directors, the value of the Company's investment is not less than its carrying value

LAZARD FRÈRES & CO., LIMITED

7. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised:		
50,000 ordinary shares of £1 each (2008 50,000)	50,000	50,000
Allotted, called up and fully paid:		
50,000 ordinary shares of £1 each (2008 50,000)	50,000	50,000

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
(Loss) / profit for financial year	(112,999)	-
Opening shareholders' funds	131,060	131,060
Closing shareholders' funds	18,061	113,060

9. RESERVES

	2009 £	2008 £
At 1 January	81,060	81,060
Retained profit	(112,999)	-
At 31 December	(31,939)	81,060

10. ULTIMATE PARENT COMPANY

Lazard Ltd, a Bermudian company, is the parent company of the largest group which includes the Company and for which group accounts are to be prepared. The Company's ultimate parent company and ultimate controlling party is Lazard Ltd.

The Company's immediate parent company is Lazard Frères & Co LLC, a limited liability company incorporated in New York, The United States of America.

The parent company of the smallest group which includes the Company, and for which group accounts are prepared, is Lazard Frères & Co LLC, the immediate parent company.