

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

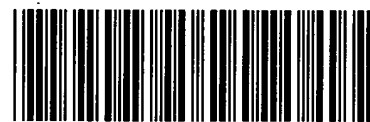
**LAZARD ITALY LIMITED**

**Report of the Directors and**

**Audited Financial Statements for the Year Ended 30 November 2015**

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

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# **LAZARD ITALY LIMITED**

## **Contents of the Financial Statements for the Year Ended 30 November 2015**

	<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 Auditors</b>	<b>5</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10</b>
<b>Reconciliation of Equity</b>	<b>16</b>
<b>Reconciliation of Profit</b>	<b>18</b>

**LAZARD ITALY LIMITED**

**Company Information**  
**for the Year Ended 30 November 2015**

**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)

**AUDITORS:**

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

## **LAZARD ITALY LIMITED**

### **Report of the Directors** **for the Year Ended 30 November 2015**

The directors present their report with the financial statements of the company for the year ended 30 November 2015.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of an investment holding company. The Company's principal subsidiary is a trading company carrying on investment banking business in Italy.

#### **DIVIDENDS**

No dividends have been distributed during the year (2014: £2,799,804)

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2014 to the date of this report.

R J Farrer-Brown

R J Rountree

#### **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.

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 2015**

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

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

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

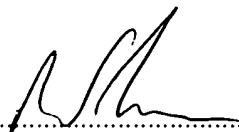
(a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006.

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:**

  
.....  
Director *Robert Farmer-Brown*

Date: *22/04/2016*

## **LAZARD ITALY LIMITED**

### **Statement of Directors' Responsibilities for the Year Ended 30 November 2015**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 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 Auditors to the Members of Lazard Italy Limited**

We have audited the financial statements of Lazard Italy Limited for the year ended 30 November 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

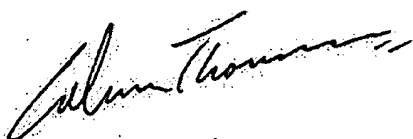
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Calum Thomson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

Date: 22 April 2016



**LAZARD ITALY LIMITED****Statement of Comprehensive Income  
for the Year Ended 30 November 2015**

	Notes	2015 £	2014 £
<b>FOREIGN EXCHANGE LOSS</b>		(1,553)	(5,263)
Administrative expenses		<u>(2,190)</u>	<u>(56,486)</u>
<b>OPERATING LOSS</b>		(3,743)	(61,749)
Income from shares in group undertakings		-	2,756,581
Interest receivable and similar income		<u>11,681</u>	<u>6,314</u>
		7,938	2,701,146
Interest payable and similar charges		<u>(25,000)</u>	<u>(26,386)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	(17,062)	2,674,760
Tax on (loss)/profit on ordinary activities	3	<u>(16,106)</u>	<u>-</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(33,168)	2,674,760
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>(33,168)</u></u>	<u><u>2,674,760</u></u>

The notes on pages 10 to 15 form part of these financial statements

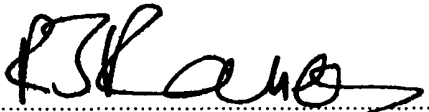
**LAZARD ITALY LIMITED (REGISTERED NUMBER: 03536047)**

**Statement of Financial Position**  
**30 November 2015**

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Investments	5	12,541,024	12,541,024
<b>CURRENT ASSETS</b>			
Debtors	6	2,317,200	2,536,111
Cash at bank		<u>679,941</u>	<u>406,605</u>
		2,997,141	2,942,716
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>(114,616)</u>	<u>(27,023)</u>
<b>NET CURRENT ASSETS</b>		<u>2,882,525</u>	<u>2,915,693</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		15,423,549	15,456,717
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	<u>(500,000)</u>	<u>(500,000)</u>
<b>NET ASSETS</b>		<u>14,923,549</u>	<u>14,956,717</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	3,999,717	3,999,717
Retained earnings	11	<u>10,923,832</u>	<u>10,957,000</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>14,923,549</u>	<u>14,956,717</u>

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

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

  
Director ROBERT ROUNTREE

The notes on pages 10 to 15 form part of these financial statements

**LAZARD ITALY LIMITED****Statement of Changes in Equity**  
**for the Year Ended 30 November 2015**

	Notes	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2013		3,999,717	11,082,044	15,081,761
Changes in equity				
Dividends	4	-	(2,799,804)	(2,799,804)
Total comprehensive income		-	2,674,760	2,674,760
Balance at 30 November 2014		<u>3,999,717</u>	<u>10,957,000</u>	<u>14,956,717</u>
Changes in equity				
Total comprehensive income		-	(33,168)	(33,168)
Balance at 30 November 2015		<u>3,999,717</u>	<u>10,923,832</u>	<u>14,923,549</u>

The notes on pages 10 to 15 form part of these financial statements

## **LAZARD ITALY LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 30 November 2015**

#### **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.

##### **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

##### **Other income**

Other income comprises foreign exchange differences and other sundry income and is accounted for on an accrual basis.

## **LAZARD ITALY LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 30 November 2015**

#### **2. (LOSS)/PROFIT BEFORE TAXATION**

The loss before taxation (2014 - profit before taxation) is stated after charging:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration for the audit of the annual accounts	<u>2,190</u>	<u>2,100</u>

#### **3. TAXATION**

##### **Analysis of tax expense**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Current tax:		
Tax	<u>16,106</u>	<u>-</u>
Total tax expense in statement of comprehensive income	<u>16,106</u>	<u>-</u>

##### **Factors affecting the tax expense**

The tax assessed for the year is higher (2014 - lower) than the standard rate of corporation tax in the UK.  
The difference is explained below:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities before income tax	<u>(17,062)</u>	<u>2,674,760</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.330% (2014 - 21.660%)	(3,469)	579,353
Effects of:		
Utilisation of tax losses	(9,278)	(19,754)
Dividends not taxable	-	(597,159)
Foreign exchange loss	<u>28,853</u>	<u>37,560</u>
Tax expense	<u>16,106</u>	<u>-</u>

#### **4. DIVIDENDS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Ordinary shares of £1 each		
Final	<u>-</u>	<u>2,799,804</u>

## **LAZARD ITALY LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 30 November 2015**

#### **5. INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 December 2014 and 30 November 2015	<u>12,541,024</u>
<b>NET BOOK VALUE</b>	
At 30 November 2015	<u>12,541,024</u>
At 30 November 2014	<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 SRL**

Country of incorporation: Italy

Nature of business: Investment banking

Class of shares:	%
Ordinary Shares	holding 99.00

#### **6. DEBTORS**

	2015 £	2014 £
Amounts falling due within one year:		
Other debtors	<u>-</u>	<u>76,997</u>
Amounts falling due after more than one year:		
Foreign tax debtor	<u>2,317,200</u>	<u>2,459,114</u>
Aggregate amounts	<u>2,317,200</u>	<u>2,536,111</u>

The foreign tax debtor 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.

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

	2015 £	2014 £
Amounts owed to group undertakings	29,214	27,023
Taxation and social security	16,106	-
Other creditors	<u>69,296</u>	<u>-</u>
	<u>114,616</u>	<u>27,023</u>

**LAZARD ITALY LIMITED****Notes to the Financial Statements - continued**  
**for the Year Ended 30 November 2015****8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2015	2014
	£	£
Preference shares (see note 9)	<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 has no discretion over the payment of interest and there are no voting rights or other rights attached to these shares.

**9. FINANCIAL LIABILITIES - BORROWINGS**

	2015	2014
	£	£
Non-current:		
Preference shares	<u>500,000</u>	<u>500,000</u>

Terms and debt repayment schedule

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

Details of shares shown as liabilities are as follows:

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2015	2014
			£	£
500,000	Preference	£1	<u>500,000</u>	<u>500,000</u>

**10. CALLED UP SHARE CAPITAL****Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2015	2014
			£	£
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 2015**

#### **11. RESERVES**

	<b>Retained earnings £</b>
At 1 December 2014	10,957,000
Deficit for the year	<u>(33,168)</u>
At 30 November 2015	<u><u>10,923,832</u></u>

#### **12. 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.

#### **13. 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.



## **LAZARD ITALY LIMITED**

### **Notes to the Financial Statements - continued** **for the Year Ended 30 November 2015**

#### **14. FIRST YEAR ADOPTION**

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (pre-2015 UK GAAP) were for the year ended 30 November 2014 and the date of transition to FRS 101 was therefore 1 December 2013.

**LAZARD ITALY LIMITED****Reconciliation of Equity****1 December 2013****(Date of Transition to FRS 101)**

	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
<b>FIXED ASSETS</b>			
Investments	12,541,024	-	12,541,024
<b>CURRENT ASSETS</b>			
Debtors	2,678,375	-	2,678,375
Cash at bank	387,286	-	387,286
	3,065,661	-	3,065,661
<b>CREDITORS</b>			
Amounts falling due within one year	(24,924)	-	(24,924)
<b>NET CURRENT ASSETS</b>	3,040,737	-	3,040,737
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	15,581,761	-	15,581,761
<b>CREDITORS</b>			
Amounts falling due after more than one year	(500,000)	-	(500,000)
<b>NET ASSETS</b>	15,081,761	-	15,081,761
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3,999,717	-	3,999,717
Retained earnings	11,082,044	-	11,082,044
<b>SHAREHOLDERS' FUNDS</b>	15,081,761	-	15,081,761

The notes on pages 10 to 15 form part of these financial statements

**LAZARD ITALY LIMITED****Reconciliation of Equity - continued**  
**30 November 2014**

	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
<b>FIXED ASSETS</b>			
Investments	<u>12,541,024</u>	<u>-</u>	<u>12,541,024</u>
<b>CURRENT ASSETS</b>			
Debtors	2,536,111	-	2,536,111
Cash at bank	<u>406,605</u>	<u>-</u>	<u>406,605</u>
	<u>2,942,716</u>	<u>-</u>	<u>2,942,716</u>
<b>CREDITORS</b>			
Amounts falling due within one year	<u>(27,023)</u>	<u>-</u>	<u>(27,023)</u>
<b>NET CURRENT ASSETS</b>	<u>2,915,693</u>	<u>-</u>	<u>2,915,693</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	15,456,717	-	15,456,717
<b>CREDITORS</b>			
Amounts falling due after more than one year	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
<b>NET ASSETS</b>	<u>14,956,717</u>	<u>-</u>	<u>14,956,717</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3,999,717	-	3,999,717
Retained earnings	<u>10,957,000</u>	<u>-</u>	<u>10,957,000</u>
<b>SHAREHOLDERS' FUNDS</b>	<u>14,956,717</u>	<u>-</u>	<u>14,956,717</u>

The notes on pages 10 to 15 form part of these financial statements

**LAZARD ITALY LIMITED****Reconciliation of Profit  
for the Year Ended 30 November 2014**

	<b>UK GAAP £</b>	<b>Effect of transition to FRS 101 £</b>	<b>FRS 101 £</b>
<b>FOREIGN EXCHANGE LOSS</b>	(5,263)	-	(5,263)
Administrative expenses	<u>(56,486)</u>	<u>-</u>	<u>(56,486)</u>
<b>OPERATING LOSS</b>	(61,749)	-	(61,749)
Income from shares in group undertakings	2,756,581	-	2,756,581
Interest receivable and similar income	6,314	-	6,314
Interest payable and similar charges	<u>(26,386)</u>	<u>-</u>	<u>(26,386)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2,674,760	-	2,674,760
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>2,674,760</u>	<u>-</u>	<u>2,674,760</u>

The notes on pages 10 to 15 form part of these financial statements