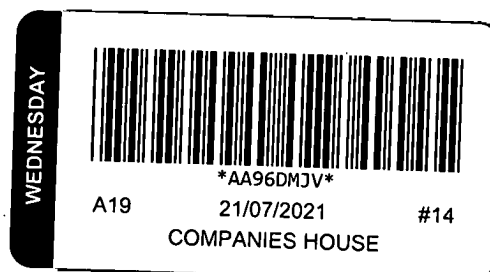


**REGISTERED NUMBER: 03903842 (England and Wales)**

**LAZARD & CO., SERVICES LIMITED**

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

**Audited Financial Statements for the Year Ended 31 December 2020**



**LAZARD & CO., SERVICES LIMITED**

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for the Year Ended 31 December 2020**

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**LAZARD & CO., SERVICES LIMITED**

**Company Information**  
**for the Year Ended 31 December 2020**

**DIRECTORS:**

R J Farrer-Brown  
R J Rountree  
W J Rucker  
N R Shott  
C Kapadia  
P R Orszag

**SECRETARY:**

R J Farrer-Brown

**REGISTERED OFFICE:**

50 Stratton Street  
London  
W1J 8LL

**REGISTERED NUMBER:**

03903842 (England and Wales)

**AUDITOR:**

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

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

### **Strategic Report** **for the Year Ended 31 December 2020**

The directors of the Company present their strategic report for the year ended 31 December 2020.

#### **REVIEW OF BUSINESS**

As a service company to Lazard & Co., Holdings Limited ("LCH") and its subsidiaries, the Company fully recharges its expenses, notably under an employment service agreement with Lazard & Co., Limited ("LCL"). As such its revenues are a function of the level of costs. Such costs are managed on a consolidated basis for the group as a whole. Expenses were fully recharged and the Company made a profit during the year.

The profit for the year before taxation was £414,000 (2019: £158,000 loss).

The Company's net liabilities decreased to £1,020,000 (2019: £2,484,000).

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

The Company's risks are managed in a number of ways, including at London Executive Committee and Operations Committee meetings.

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

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

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

### **Strategic Report** **for the Year Ended 31 December 2020**

#### **SECTION 172(1) STATEMENT**

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making and their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

As directors of Lazard & Co., Services Limited we are actively engaged in the running of the business and have a long term strategy in place in order to meet our objectives.

In doing so several factors are considered:

- The long term implications of any new initiatives;
- The need to foster the Company's business relationships with its clients, suppliers and others;
- The impact of the Company's operations on the community and the environment;
- The company maintains a reputation for high standards of business conduct;
- The interests of the Company's employees; and
- The need to act fairly as between members of the Company.

During the year the board has considered its duties under s172 and how it fulfils its obligations thereof in respect to the following key stakeholder groups:

#### **Our Employees**

We believe that our people are our most important asset. The talent, integrity and engagement of all 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 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 which connect our employees with individuals across the wider firm including the below:

**Lazard Proud:** The Company aims to connect LGBTQ colleagues and allies in a meaningful way through relevant training, peer-to-peer mentoring, events, and volunteer 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 an employee-led group focused on enhancing, leveraging and developing Lazard's diverse culture. The Company aims to promote awareness and create a more inclusive work environment. This will be achieved through relevant training, events and other initiatives that support the recruitment and progression of employees from diverse ethnicities, cultural heritage, and nationalities.

The Lazard Women's Leadership Network is comprised of employee-led groups that serve as a resource for women looking to grow professionally and personally through development programs, career advancement and volunteer opportunities. These groups also provide a forum for women to share professional experiences and best practices with both female and male colleagues across the organization

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

### **Strategic Report**

**for the Year Ended 31 December 2020**

#### **SECTION 172(1) STATEMENT - Continued**

The board continues to enhance its methods of engagement with its employee's primarily through employment engagement surveys, regular meetings, Town Hall events, the intranet, presentations, and electronic communications sent regularly throughout the year which aim to 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 Company.

#### **Our Clients**

As a service provider to Lazard & Co., Limited the Company ensure regular forms of communications are maintained through meetings and electronic information. The Company ensure all services are being delivered at a high standard and are easily adaptable to the requirements of the client.

The Company's results are published and available to view by all interested parties on the Companies House website and available to request from the registered address stated on the Company information page.

#### **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 when 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

The board continues to promote community engagement through a number of actions and initiatives including the following:

**Work for Good:** This program supports employee initiatives to volunteer with a variety of local charities. Volunteering through our Work for Good program allows employees to make a positive impact in their communities and share experiences with their colleagues outside of the workplace.

**Lazard Empowers:** 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.

#### **Suppliers**

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.

#### **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.

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

### **Strategic Report** **for the Year Ended 31 December 2020**

#### **UNITED KINGDOM EXIT FROM THE EUROPEAN UNION**

The UK left the European Union on 31 January 2020. Prior to that date, the European Union and the UK entered into the EUUK Trade and Cooperation Agreement (the "Trade and Cooperation Agreement"). On 26 March 2021, both parties concluded technical negotiation of the Memorandum of Understanding which, once formally validated, will create the framework for voluntary regulatory cooperation in financial services between the UK and the European Union. As at the date of signing these financial statements, the Memorandum of Understanding has not been formally validated. The Company currently does not believe that any of the arrangements in the concluded technical negotiation 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. The UK Government implemented strict social distancing measures in the first quarter of 2020, and such continue to review and modify such measures. In response, in the first quarter of 2020, the Company implemented remote work arrangements for most of its employees and restricted business travel; these arrangements and restrictions have been and continue to be modified as the UK Government modifies applicable social distancing measures. These arrangements have not materially affected our ability to maintain and conduct our business operations, including the operation of financial reporting systems, internal controls over financial reporting and disclosure controls and procedures. While the COVID-19 pandemic has adversely affected the global economy, the nature and extent of COVID-19's effect on the Company's operational and financial performance will continue to depend on future developments.

#### **APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:**



R J Farrer-Brown - Director

Date: 26 April 2021

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

### **Report of the Directors** **for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the Company for the year ended 31 December 2020.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that of a service company to Lazard & Co., Limited.

#### **DIVIDENDS**

No dividends have been distributed for the year ended 31 December 2020 (2019: nil). No dividends have been proposed at the date of signing this report.

#### **FUTURE DEVELOPMENTS**

No change in the Company's activity is anticipated in the foreseeable future. Lazard & Co., Limited will continue to meet the Company's obligations under the employment service agreement and therefore the accounts are prepared on a going concern basis.

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

The Company's risks are managed in a number of ways, including at regular London Executive Committee and Operations Committee meetings. See Strategic Report for further details.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to significant events since the statement of financial position to the date of this report is set out in the notes to the financial statements. See note 24.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

R J Farrer-Brown  
R J Rountree  
W J Rucker  
N R Shott  
C Kapadia  
P R Orszag

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

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

#### **EMPLOYEES**

The Company employs staff on behalf of Lazard & Co., Limited.

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.



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

### **Report of the Directors** **for the Year Ended 31 December 2020**

#### **GOING CONCERN BASIS**

Since the year end, the world's financial markets have continued to be impacted by the on-going COVID-19 pandemic. The Company directors have assessed the situation and at the time of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from when the financial statements are authorised for issue and that Lazard & Co., Limited will continue to meet the Company's obligations under the employment service agreement.

The directors are satisfied that the UK holding company, Lazard & Co., Holdings Limited has adequate resources to support the Company if required. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

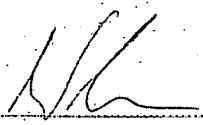
The Company has elected to dispense with the obligation to appoint an auditor annually and, accordingly, Deloitte LLP shall be deemed to be re-appointed as auditor for a further term under the provisions of Section 487 (2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of 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.

#### **APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF:**

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

Date: 26 April 2021

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

### **Statement of Directors' Responsibilities** **for the Year Ended 31 December 2020**

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.

**Report of the Independent Auditor to the Members of  
Lazard & Co., Services Limited**

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

**Opinion**

In our opinion the financial statements of Lazard & Co., Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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 Strategic Report and the Statement of Directors' Responsibilities, 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.

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

### **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](http://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, tax legislation and pensions 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 the Streamlined Energy Carbon Reporting ('SECR') requirements and 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.

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;
- 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 of the Independent Auditor to the Members of  
Lazard & Co., Services Limited**

**Report on other legal and regulatory requirements**

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

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

- the information given in the 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**

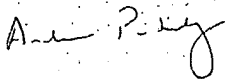
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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

Date: 26 April 2021

**LAZARD & CO., SERVICES LIMITED****Statement of Comprehensive Income**  
**for the Year Ended 31 December 2020**

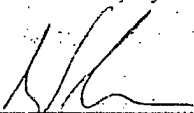
	Notes	2020 £'000	2019 £'000
<b>TURNOVER</b>		88,610	90,004
Administrative expenses		(90,705)	(91,123)
		(2,095)	(1,119)
Other operating income	3	<u>2,503</u>	<u>954</u>
<b>OPERATING PROFIT/(LOSS)</b>	6	408	(165)
Interest receivable and similar income	8	<u>6</u>	<u>7</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		414	(158)
Tax on profit/(loss)	9	<u>933</u>	<u>112</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		1,347	(46)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Total actuarial movements recognised		144	(1)
Income tax relating to other comprehensive income/(loss)		<u>(27)</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX</b>		<u>117</u>	<u>(1)</u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<u><u>1,464</u></u>	<u><u>(47)</u></u>

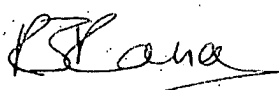
The notes on pages 15 to 32 form part of these financial statements

**LAZARD & CO., SERVICES LIMITED (REGISTERED NUMBER: 03903842)****Statement of Financial Position**  
**31 December 2020**

	Notes	2020 £'000	2019 £'000
<b>FIXED ASSETS</b>			
Tangible assets	11	299	299
Investments	12	<u>11,240</u>	<u>7,673</u>
		<u>11,539</u>	<u>7,972</u>
<b>CURRENT ASSETS</b>			
Debtors	13	48,326	48,037
Cash at bank		<u>2,088</u>	<u>1,607</u>
		50,414	49,644
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(51,482)</u>	<u>(50,497)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,068)</u>	<u>(853)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,471	7,119
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(6,754)	(4,983)
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(4,737)</u>	<u>(4,620)</u>
<b>NET LIABILITIES</b>		<u>(1,020)</u>	<u>(2,484)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	-	-
Retained earnings	19	<u>(1,020)</u>	<u>(2,484)</u>
<b>SHAREHOLDERS' DEFICIT</b>		<u>(1,020)</u>	<u>(2,484)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2021 and were signed on its behalf by:

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

  
.....  
R J Rountree - Director

The notes on pages 15 to 32 form part of these financial statements

**LAZARD & CO., SERVICES LIMITED****Statement of Changes in Equity**  
**for the Year Ended 31 December 2020**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2019</b>	-	(2,437)	(2,437)
<b>Changes in equity</b>			
Loss for the year	-	(46)	(46)
Other comprehensive loss	-	(1)	(1)
<b>Total comprehensive loss</b>	-	(47)	(47)
<b>Balance at 31 December 2019</b>	-	(2,484)	(2,484)
<b>Changes in equity</b>			
Profit for the year	-	1,347	1,347
Other comprehensive income	-	117	117
<b>Total comprehensive income</b>	-	1,464	1,464
<b>Balance at 31 December 2020</b>	-	(1,020)	(1,020)

The notes on pages 15 to 32 form part of these financial statements



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

### **Notes to the Financial Statements** **for the Year Ended 31 December 2020**

#### **1. STATUTORY INFORMATION**

Lazard & Co., Services 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.

##### **Going concern**

Since the year end, the world's financial markets have continued to be impacted by the on-going COVID-19 pandemic. The Company directors have assessed the situation and at the time of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from when the financial statements are authorised for issue. Lazard & Co., Holdings Limited ("LCH"), has adequate resources to support the Company if required. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

##### **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. 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 source of estimation uncertainty**

###### **i. Deferred tax**

Deferred tax assets, including those in relation to tax losses carried forward, are only recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

###### **ii. 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 20.

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

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2020**

#### **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 comprises recharges of expenses to group companies and is recognised on an accruals basis. All turnover derives from the United Kingdom.

##### **Interest receivable**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is not provided on artwork and antiques.

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

Fixed asset investments are held at a fair value. The fair value of investments in alternative investment funds, debt funds and equity funds is classified as Level 1 when the fair values are primarily based on the publicly reported closing price for the fund. Private equity funds are classified as Level 3 and primarily determined based on information provided by external fund administrators.

##### **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 tax**

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.

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

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2020**

#### **2. ACCOUNTING POLICIES - continued**

##### **Pension costs**

The Company operates two defined benefit pension schemes. The pension cost relating to these 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 and past service costs, running costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest costs are shown as a net amount of other finance costs or credits adjacent to interest. 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 Company, 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. A surplus is only recognised as an asset on the balance sheet to the extent that the Company is able to recover the surplus either through reduced contributions in the future or through refunds from the Schemes. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account 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.

##### **Share-based payments**

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

Lazard Ltd, on behalf of the Company, awards restricted stock units ("RSUs") in Lazard Ltd to selected employees of the companies within the Group. From a Lazard Ltd 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 Ltd estimate of shares that will eventually vest. Fair value is measured by use of the Lazard Ltd share price at the reporting 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 balance sheet date based on the fair value of the liability determined at each reporting date, since the Company is obliged to settle the cash equivalent of the actual cost of the stock when the awards have vested.

##### **Other long-term employee benefits**

Lazard Ltd, operates a deferred compensation scheme for eligible employees of grants of actual or notional interests in a number of Lazard-managed funds, subject to service based vesting conditions. These grants, known as Lazard Fund Interests ("LFI's") represent a portion of an employee's bonus and are deferred over 2-3 years. The amount payable on vesting is linked to the performance of these Lazard-managed funds.

The amount of the deferred award, including both the original cost and any change in the value of the fund units, is recognised as a liability over the vesting period of the award. The change in the value of the liability is recognised in the income statement. Awards are subject to forfeiture provisions.

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****3. OTHER OPERATING INCOME**

	2020	2019
	£'000	£'000
Other Income	59	-
Fixed asset investments - exchange differences	(537)	(229)
Other foreign exchange gain/(loss)	1,023	(116)
(Loss)/gain on revaluation of fixed asset investments	1,958	1,299
	<u>2,503</u>	<u>954</u>

**4. EMPLOYEES AND DIRECTORS**

	2020	2019
	£000	£000
Wages and salaries	53,336	49,686
Social security costs	11,595	10,777
Other pension costs: Defined contribution	2,915	2,549
Deferred remuneration	22,234	24,327
Termination costs	(92)	2,601
Total staff costs	<u>89,988</u>	<u>89,940</u>

Other pension costs exclude £144,000 of actuarial gains (2019: £1,000 loss) on the defined benefit schemes recognised directly in the Statement of Comprehensive Income.

The monthly average number of persons employed by the Company during the year excluding persons who worked wholly or mainly outside the United Kingdom or abroad and including directors was 286 (2019: 269). Of these, 235 (2019: 216) were engaged in financial advisory activities and 51 (2019: 52) were engaged in support functions.

Termination costs for 2020 includes a credit relating to the reversal of prior year accrued severance costs.

**5. DIRECTORS' EMOLUMENTS**

The directors of the Company are also the directors of LCH and LCL. The directors' emoluments relate to those directors of the Company who provided their services either wholly or primarily to the Company, LCH and LCL. The directors received total emoluments of £8,800,757 (2019: £7,260,883) during the year, but it is not practical to allocate the amount of remuneration between their services as directors of LCH, LCL and the Company. Further disclosure is provided in the LCH group accounts.

**6. OPERATING PROFIT/(LOSS)**

The operating profit (2019 - operating loss) is stated after (crediting)/charging:

	2020	2019
	£'000	£'000
Foreign exchange differences	<u>(1,023)</u>	<u>116</u>

**7. AUDITOR'S REMUNERATION**

	2020	2019
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>72</u>	<u>66</u>

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Interest income	<u>6</u>	<u>7</u>

**9. TAXATION****Analysis of the tax credit**

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
UK corporation tax	77	-
Foreign tax	6	-
Prior year credit	(59)	-
Prior period UK group relief	<u>(715)</u>	<u>(2,909)</u>
Total current tax	<u>(691)</u>	<u>(2,909)</u>
Deferred tax:		
Current year charge	(14)	(27)
Changes in tax rates	(652)	135
Prior period adjustments	<u>424</u>	<u>2,689</u>
Total deferred tax	<u>(242)</u>	<u>2,797</u>
Tax on profit/(loss)	<u>(933)</u>	<u>(112)</u>

**Reconciliation of total tax credit included in profit and loss**

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) before tax	<u>414</u>	<u>(158)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	79	(30)
Effects of:		
Income not taxable for tax purposes	(16)	-
Effects of tax rate changes	(646)	138
Prior period deferred tax adjustments	424	2,689
Prior period group relief received	(715)	(2,909)
Prior period current items	<u>(59)</u>	<u>-</u>
Total tax credit	<u>(933)</u>	<u>(112)</u>

**LAZARD & CO., SERVICES LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

9. **TAXATION - continued**

**Tax effects relating to effects of other comprehensive income**

	<b>Gross £'000</b>	<b>Tax £'000</b>	<b>2020 Net £'000</b>
Total actuarial movements recognised	<u>144</u>	<u>(27)</u>	<u>117</u>
	<b>Gross £'000</b>	<b>Tax £'000</b>	<b>2019 Net £'000</b>
Total actuarial movements recognised	<u>(1)</u>	<u>-</u>	<u>(1)</u>

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****10. DEFERRED TAXATION**

	2020 £'000	2019 £'000
Deferred taxation asset		
Capital allowances	56	61
Deferred remuneration	5,993	4,972
Losses	-	556
Pension contributions / liability	-	95
Unrealised gains on investments	(283)	(133)
	<u>5,766</u>	<u>5,551</u>

UK deferred taxation has been calculated at the rate of corporation tax at which the deferred tax asset was expected to crystallise, reflecting the presently enacted rate of 19% (2019: 17%). In March 2021 the UK Government has proposed to retain the 19% rate until 31 March 2023 after which it proposes to increase the rate to 25%. It is expected that the legislation will be passed in 2021. There is no expiry dates on any of the timing differences above.

The amount of the net reversal of deferred tax expected to occur in 2021 is £3,193,994, 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 2021.

	Capital Allowances £'000	Deferred remuneration £'000	Losses £'000	Pension contributions /liability £'000	Unrealised gain on investments £'000	Total £'000
Balance at 1 January 2020	61	4,972	556	95	(133)	5,551
(Charge) / credit to profit and loss	(5)	1,021	-	(68)	(150)	798
Prior year (charge) for group relief	-	-	(556)	-	-	(556)
OCI	-	-	-	(27)	-	(27)
Balance at 31 December 2020	<u>56</u>	<u>5,993</u>	<u>-</u>	<u>-</u>	<u>(283)</u>	<u>5,766</u>

**11. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £'000
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>299</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>299</u>
At 31 December 2019	<u>299</u>

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****11. TANGIBLE FIXED ASSETS - continued**

Fixtures and fittings disclosed relate to Artworks & Antiques.

**12. FIXED ASSET INVESTMENTS**

	<b>Listed investments £'000</b>	<b>Unlisted investments £'000</b>	<b>Totals £'000</b>
<b>COST OR VALUATION</b>			
At 1 January 2020	7,475	198	7,673
Additions	5,923	-	5,923
Disposals	(3,777)	-	(3,777)
Revaluations	1,959	(1)	1,958
Exchange differences	(531)	(6)	(537)
At 31 December 2020	<u>11,049</u>	<u>191</u>	<u>11,240</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>11,049</u>	<u>191</u>	<u>11,240</u>
At 31 December 2019	<u>7,475</u>	<u>198</u>	<u>7,673</u>

Cost or valuation at 31 December 2020 is represented by:

	<b>Listed investments £'000</b>	<b>Unlisted investments £'000</b>	<b>Totals £'000</b>
Valuation in 2020	<u>11,049</u>	<u>191</u>	<u>11,240</u>

Listed investments at fair value 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 represents grants to eligible employees of actual or notional interests in a number of Lazard-managed funds, subject to service based vesting conditions.

**13. DEBTORS**

	<b>2020 £'000</b>	<b>2019 £'000</b>
Amounts falling due within one year:		
Amounts owed by group undertakings	41,847	38,923
Other debtors	589	515
Tax	-	2,847
VAT	85	188
Prepayments and accrued income	<u>39</u>	<u>13</u>
	<u>42,560</u>	<u>42,486</u>
Amounts falling due after more than one year:		
Deferred tax asset	<u>5,766</u>	<u>5,551</u>
Aggregate amounts	<u>48,326</u>	<u>48,037</u>



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

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2020**

#### **13. DEBTORS - continued**

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

Further information relating to deferred tax asset can be found in note 10.

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	3	83
Amounts owed to group undertakings	28,091	29,236
Corporation tax	77	-
Social security and other taxes	2,133	1,973
Other creditors	55	7
Accruals and deferred income	<u>21,123</u>	<u>19,198</u>
	<u>51,482</u>	<u>50,497</u>

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.

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Accruals and deferred income	<u>6,754</u>	<u>4,983</u>

Accruals and deferred income relates to the Group's amortised liability of previously granted LFI's. LFI's represent grants to eligible employees of actual or notional interests in a number of Lazard-managed funds, subject to service based vesting conditions.

#### **16. FINANCIAL INSTRUMENTS**

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

#### **17. PROVISIONS FOR LIABILITIES**

	<b>NI on Deferred Remuneration £000</b>
Provision at 1 January 2020	4,620
Charged to statement of comprehensive income during the year	2,818
Utilised during the year	(2,616)
Foreign exchange movement	<u>(85)</u>
Provision at 31 December 2020	<u>4,737</u>

Provisions have been made for National Insurance ("NI") on deferred compensation and restricted stock units (RSUs). This is based on the Lazard Ltd share price at 31 December 2020 of \$42.30 (2019: \$39.96) at a NI rate of 13.8% (2019: 13.8%). Outstanding RSUs at 31 December 2020 had a weighted average remaining contractual life of 0.8 (2019: 0.8) years, with the last vesting date in 2023.

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020****18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

**19. RESERVES**

	Retained earnings £'000
At 1 January 2020	(2,484)
Profit for the year	1,347
Actuarial loss recognised	144
Tax on actuarial loss	<u>(27)</u>
At 31 December 2020	<u>(1,020)</u>

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

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2020**

#### **20. EMPLOYEE BENEFIT OBLIGATIONS**

During 2020, the Company operated two defined benefit pension schemes which have assets held in separate trustee-administered funds. In addition, contributions were made to personal pension schemes, including stakeholder arrangements for certain individuals.

Both defined benefit schemes were 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 both defined benefit schemes with effect from 31 March 2006. Following cessation of accrual, substantially all of the Company's current employees are now members of the defined contribution Lazard Stakeholder scheme. There are no directors who are members of the defined benefit pension scheme (2019: nil).

The directors and staff defined benefit schemes are in a surplus position at the end of 2020. In accordance with FRS 102 the asset shown on the balance sheet at the year end was restricted to zero for both the directors and staff defined benefit schemes. The two schemes are disclosed separately below to clarify the funding and the accounting treatment of the two schemes.

#### **Actuarial Assumptions**

Each of the defined benefit schemes had a full valuation by independent qualified actuaries as at 31 December 2016, updated to 31 December 2020 using the projected unit method, taking assets at fair value. The major assumptions applicable were:

	2020	2019	2018
Discount Rate - Directors scheme	1.28%	1.88%	2.61%
Discount Rate - Staff scheme	1.32%	1.90%	2.68%
Pension increase rate - Directors scheme	3.33%	3.39%	3.43%
Pension increase rate - Staff scheme	3.61%	3.69%	3.81%
Indexation in deferment (based on CPI inflation % pa)	2.40%	2.25%	2.10%
Life expectancy of male/female aged 65 at accounting date - Directors Scheme	24.2 / 26.3	24.8 / 26.5	24.8 / 26.5
Life expectancy of male/female aged 65 in 20 years' time - Directors Scheme	25.5 / 27.4	26.6 / 28.0	26.5 / 27.9
Life expectancy of male/female aged 65 at accounting date - Staff Scheme	22.7 / 24.9	23.2 / 25.0	23.2 / 24.9
Life expectancy of male/female aged 65 in 20 years' time - Staff Scheme	24.0 / 26.0	25.0 / 26.5	24.9 / 26.4

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****20. EMPLOYEE BENEFIT OBLIGATIONS - continued****Contributions**

On 30 March 2021, Lazard and the Trustees of the defined benefit schemes (the "Trustees") concluded the 31 December 2019 triennial valuations of the plans. In connection with such valuations, Lazard and the Trustees agreed upon pension funding terms pursuant to which Lazard agreed to make contributions by way of ten annual payments of £1,500,000 from 2021 to 2030.

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 plans of £476,009 (2019: £400,372).

**Directors pension scheme:****Expenses recognised in profit or loss**

	<b>2020 £000</b>	<b>2019 £000</b>
Running costs	245	204
Interest expenses	-	-
	<u>245</u>	<u>204</u>

**Amounts recognised outside profit or loss**

	<b>2020 £000</b>	<b>2019 £000</b>
Remeasurements	(3,821)	4,137
Change in asset limit other than interest	<u>3,832</u>	<u>(4,127)</u>
	<u>11</u>	<u>10</u>

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	2020 £000	2019 £000
Present value of scheme liabilities	(185,279)	(177,461)
Fair value of scheme assets	190,124	178,455
Surplus in the scheme	4,845	994
Surplus restriction	(4,845)	(994)
Net liability recognised in the statement of financial position	-	-

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**

	2020 £000	2019 £000
Opening liability	-	-
Expense charged to profit and loss	245	204
Amount recognised outside profit and loss	11	10
Employer contributions	(256)	(214)
Closing net liabilities	-	-

**Movements in the present value of the defined obligations were as follows:**

	2020 £000	2019 £000
Opening balance	(177,461)	(158,367)
Interest cost	(3,247)	(4,140)
Actuarial (gains)	(14,073)	(20,406)
Benefits paid and transfers out	9,502	5,452
Closing balance	(185,279)	(177,461)

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****20. EMPLOYEE BENEFIT OBLIGATIONS - continued****Movements in the fair value of schemes assets were as follows:**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Opening balance	178,455	163,355
Interest on plan assets	3,266	4,273
Actual return on plan assets less interest on plan assets	17,894	16,269
Contributions from the employer	256	214
Running costs	(245)	(204)
Benefits paid and transfers out	(9,502)	(5,452)
	<b>190,124</b>	<b>178,455</b>

**Fair value of scheme assets**

		<b>2020</b>		<b>2019</b>
		<b>£000</b>		<b>£000</b>
	<b>Allocation</b>		<b>Allocation</b>	
Equities	27%	50,523	26%	47,002
Bonds / matching funds	53%	101,057	53%	94,890
Absolute return funds	12%	21,989	11%	19,201
Private credit	3%	5,260	4%	7,701
Insurance policies	3%	5,373	4%	6,608
Other	2%	5,922	2%	3,053
	<b>100%</b>	<b>190,124</b>	<b>100%</b>	<b>178,455</b>

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020****20. EMPLOYEE BENEFIT OBLIGATIONS - continued****Staff pension scheme:****Expenses recognised in profit or loss**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Running costs	230	196
Interest expenses	-	-
Past service costs	145	-
	<u>375</u>	<u>196</u>

**Amounts recognised outside profit or loss**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Remeasurements	(10,875)	8,131
Change in asset limit other than interest	10,720	(8,141)
	<u>(155)</u>	<u>(10)</u>

The amount included in the balance sheet arising from the Company's obligations in respect of its defined benefit retirement benefit scheme is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Present value of scheme liabilities	(231,469)	(220,110)
Fair value of scheme assets	<u>242,637</u>	<u>220,551</u>
Surplus in the scheme	11,168	441
Surplus restriction	<u>(11,168)</u>	<u>(441)</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.

**LAZARD & CO., SERVICES LIMITED****Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020****20. EMPLOYEE BENEFIT OBLIGATIONS - continued****Movement in the net statement of financial position**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Opening liability	-	-
Expense charged to profit and loss	375	196
Amount recognised outside profit and loss	(155)	(10)
Employer contributions	(220)	(186)
Closing net liabilities	<u>-</u>	<u>-</u>

**Movements in the present value of the defined obligations were as follows:**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Opening balance	(220,110)	(196,803)
Interest cost	(4,104)	(5,145)
Actuarial (gains)	(15,484)	(27,890)
Benefits paid and transfers out	8,375	9,728
Past service costs	(146)	-
Closing balance	<u>(231,469)</u>	<u>(220,110)</u>

**Movements in the fair value of schemes assets were as follows:**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Opening balance	220,551	205,161
Interest on plan assets	4,111	5,369
Actual return on plan assets less interest on plan assets	26,360	19,758
Contributions from the employer	220	186
Running costs	(230)	(196)
Benefits paid and transfers out	(8,375)	(9,727)
	<u>242,637</u>	<u>220,551</u>



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

### **Notes to the Financial Statements - continued** **for the Year Ended 31 December 2020**

#### **20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

##### **Fair value of scheme assets**

		<b>2020</b>		<b>2019</b>
		<b>£000</b>		<b>£000</b>
	<b>Allocation</b>		<b>Allocation</b>	
Equities	28%	68,388	29%	63,205
Bonds / matching funds	57%	138,404	56%	122,525
Absolute return funds	11%	26,622	10%	23,264
Private credit	3%	6,240	4%	9,135
Insurance policies	0%	263	0%	312
Other	1%	2,720	1%	2,110
	100%	242,637	100%	220,551

#### **21. ULTIMATE PARENT COMPANY**

Lazard Ltd is the parent company of the largest group which includes the Company and for which group accounts are prepared. Lazard Ltd is also the ultimate controlling party of the Company. The registered address for Lazard Ltd is Clarendon House, 2 Church Street, Hamilton HM1, Bermuda.

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. The registered address for Lazard & Co., Holdings Limited is 50 Stratton Street, London, W1J 8LL.

The Company's immediate parent is Lazard Services Holdings Limited, a company incorporated and registered in England and Wales. The registered address for Lazard Services Holdings Limited is 50 Stratton Street, London, W1J 8LL.

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

Copies of Lazard & Co., Holdings Limited and Lazard Services Holdings Limited financial statements may be obtained from the Company Secretary, at the registered address disclosed above.

#### **22. GUARANTEES AND CONTINGENT LIABILITIES**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Lazard Samaritan fund	500	500

The Company has committed funding of £500,000 to the Charity to be drawn by the Trustees of the Lazard Samaritan Fund who may, in their absolute discretion, choose not to draw down the commitment.

#### **23. 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.

**LAZARD & CO., SERVICES LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 December 2020**

**24. POST BALANCE SHEET EVENTS**

There have been no significant events or transactions since the statement of financial position date that require disclosure.

**25. SHARE-BASED PAYMENT TRANSACTIONS**

Lazard Ltd, on behalf of the Company, has awarded RSUs of Lazard Ltd to selected employees of the Company.

	Number of RSU's	Weighted average grant price	Market Price
As at 1 January 2020	1,311,295	\$43.90	\$39.96
Granted during the year	432,083	\$42.65	
Transfers out	(1,931)	\$38.44	
Transfers in	29,311	\$44.99	
Forfeited during the year	(11,512)	\$41.06	
Vested during the year	(518,957)	\$46.32	
Outstanding at 31 December 2020	1,240,289	\$42.51	\$42.30
Exercisable at 31 December 2020	-	-	-

Outstanding RSUs at 31 December 2020 had a weighted average remaining contractual life of 0.8 (2019: 0.8) years, with the last vesting date in 2023. The Company recognised total expenses, net of forfeiture, of £15,413,389 (2019: £20,500,969) and a corresponding liability of £27,567,536 (2019: £28,528,751) related to RSU transactions.