

Lazard London Directors' Pension Scheme

Scheme Registration Number: 10137270X

Annual Report and Financial Statements For the Year Ended 31 December 2013

Contents Menu

Trustees and Advisors	2
Trustees' Report	4
Statement of Trustees' Responsibilities	16
Independent Auditor's Report	17
Financial Statements	
Fund Account	19
Net Assets Statement	20
Notes to the Financial Statements	21
Independent Auditor's Statement about Contributions	29
Summary of Contributions Payable in the year	30
Compliance Statement	31
Actuarial Statement	33
Actuarial Certification of Schedule of Contributions	34

Trustees and Advisors

Trustees

Mrs F.A. Heaton (*Chairman*)

Mrs B. Albâge Gough-Cooper

Mr P. Dixon

Mr T. Cross Brown* (*Resigned 31/03/2014*)

Mr D. Anderson* (*Resigned 01/07/2013*)

Mr A. Johnston* (*appointed 04/04/2014*)

The Law Debenture Pension Trust Corporation plc represented by Richard Main (*Independent Trustee*)

* *Member-nominated trustees*

Secretary to the Trustees

Dicken Watson (*until 18/02/13*)

Inside Pensions (*From 18/02/13*)

3rd Floor

54-56 Victoria Street

St Albans

Herts, AL1 3HZ

Principal Employer

Lazard & Co., Services Limited

50 Stratton Street

London W1J 8LL

Actuary

Mr. J. Dell

Lane Clark & Peacock LLP

95 Wigmore Street

London W1U 1DQ

Administrator

Capita Employee Benefits Limited

Hartshead House

2 Cutlers Gate

Sheffield S4 7TL

Legal Adviser

Linklaters LLP

1 Silk Street

London EC2Y 8HQ

Investment Adviser

Lane Clark & Peacock LLP

95 Wigmore Street

London W1U 1DQ

Independent Auditors (*Until 28/10/13*)

PricewaterhouseCoopers LLP

1 East Parade

Sheffield, S1 2ET

Grant Thornton UK LLP (*From 19/12/13*)

30 Finsbury Square

London EC2P 2YU

Bankers

National Westminster Bank plc

42 High Street

Sheffield S1 1QG

Investment Managers

Lazard Asset Management Limited

50 Stratton Street

London W1J 8LL

Insight Investment Management Limited

33 Old Broad Street

London

EC2N 1HZ

Odey Asset Management LLP

12 Upper Grosvenor Street

London W1K 2ND

Ruffer LLP

80 Victoria Street

London SW1E 5JL

Standard Life Investments

1 George Street

Edinburgh EH1 2LL

Henderson Global Investors

201 Bishopsgate

London EC2M 3AE

Veritas Asset Management

6th Floor Elizabeth House

39 York Road

London SE1 7NQ

Baillie Gifford & Co

Calton Square

1 Greenside Row

Edinburgh, EH1 3AN (*From 10 February 2014*)

Baring Asset Management

155 Bishopsgate

London, EC2M 3XY (*From 10 February 2014*)

Trustees and Advisors (continued)

AVC Managers

Cazenove Capital Management
12 Moorgate
London EC2R 6DA
(discretionary basis)

Jupiter Unit Trust Managers
PO Box 300
West Malling
Kent ME19 4YY

Enquiries

Enquiries about the Scheme generally, or about an individual's entitlement to benefits, should be addressed to Murray McDowall at the Scheme Administrator, Capita (see address above) or pensions2enquiries@capita.co.uk.

Other useful addresses are provided in the Compliance Statement on pages 31 and 32.

Trustees' Report

For the year ended 31 December 2013

Introduction

The Trustees of the Lazard London Directors' Pension Scheme ("the Scheme") present their report together with the financial statements for the year ended 31 December 2013.

The Scheme is a defined benefit scheme, provided for former eligible employees of the Principal Employer, Lazard & Co., Services Limited ("the Company") and its predecessors, together the "UK employing companies". It provides members with a retirement pension based on pensionable salary and years of membership. In addition, members were previously able to secure additional money purchase benefits by making voluntary contributions.

The Scheme was closed to new entrants with effect from 1 January 2002 and ceased accrual of future benefits from 31 March 2006. This does not affect benefits accrued up to 31 March 2006.

Members were not contracted out of the State Second Pension Scheme so they are generally entitled to receive both the Basic State Pension and the State Second Pension in addition to their pension from the Scheme.

Management of the Scheme

In accordance with the Pensions Act 2004, one third of the Trustees are nominated by the members under the rules notified to the members of the Scheme, to serve an initial period of three years. Nominations from Scheme members are invited and the incumbents may also put themselves forward for an additional three year term. Members are asked to vote to elect the Member Nominated Trustees for the next three year term. In the event that there is only one nomination, the person nominated will automatically be appointed as a trustee. A Member Nominated Trustee may be removed before the end of the three year term but only by agreement of all the remaining Trustees.

In accordance with the Trust Deed, the Principal Employer, has the power to appoint and remove the Member Nominated Trustees of the Scheme.

The Trustees who served during the year ended 31 December 2013 are listed on page 2. Although the appointed Trustees are responsible for the overall management of the Scheme, the operation of the Scheme is delegated to the Secretary and certain third party advisors, whose performance is monitored by the Trustees.

In the year ended 31 December 2013 the Trustees met on 14 occasions, including 4 meetings to focus principally on investment matters.

Changes to the Scheme

An Amending Deed making provision for late retirement was agreed by the Trustees in July 2013. Schroder's PLC acquired Cazenove Capital Management in July 2013 but is still trading under the name "Cazenove Capital Management".

There were no other changes to the Scheme during the year ended 31 December 2013.

Trustees' Report (continued)
For the year ended 31 December 2013

Membership

Details of the membership of the Scheme are given below:

	2013	2012
Pensioners		
Pensioners at the start of the year	69	68
Members with deferred benefits reaching retirement	1	3
Pensioners who died during the year	(2)	(3)
New spouse and dependant pensions	<u>1</u>	<u>1</u>
Pensioners at the end of the year	69	69
Deferred Members		
Deferred Members at the start of the year	55	58
Adjustments	-	2
Deferred members becoming pensioners during the year	(1)	(3)
Transfers out	<u>-</u>	<u>(2)</u>
Deferred members at the end of the year	54	55
Total membership at the end of the year	123	124

Of the 69 pensioners at the year end, there were 15 (2012: 14) individuals receiving a pension following the death of their spouse and there were 16 (2012: 16) pensioner annuitants who remain members of the Scheme and have had part of their benefits secured by the purchase of annuities.

These membership figures do not include movements notified to the Administrator after the Scheme year end date.

Trustees' Report (continued)

For the year ended 31 December 2013

Actuarial Status and Funding

The Trustees of the Lazard London Directors' Pension Scheme agreed with the UK employing companies the terms of the Funding Deed, which was executed on 30 August 2005.

The main ongoing funding objectives of the Deed are:

- to achieve full funding on a "Gilts basis" by 31 May 2020; and
- to achieve full funding on a "Buyout basis" by 31 May 2030.

The Trustees also obtained a letter of comfort from Lazard Group LLC, which acknowledges the responsibilities of its UK subsidiary companies to the Scheme.

The most recent actuarial valuation of the Scheme, at 31 December 2010, showed the funding position as follows:

Assets	£130.6m
Amount needed to provide benefits	£132.9m
Deficit	£2.3m
Funding level	98%

In order to remove this deficit the Trustees agreed with the Company that the Company will contribute cash payments into the Scheme of £0.2m per year from 2012 to 2020, in addition to £0.6m that was paid in 2011. Lazard & Co., Holdings Limited also agreed to extend its commitment to the Trustees not to make any distribution unless remaining distributable reserves of at least £18 million until the completion of the 2013 triennial valuation.

In addition, in order to target meeting the Gilts Basis objective in 2020, the Trustees and the Company agreed cash payments into a new "escrow account" of £0.25 million per year from 2014 to 2020, augmenting the existing escrow account balance of £1.9 million. On that basis, as at 1 June 2020 the Scheme will have the benefit of escrow funds totalling £3.65 million which will be available to the Scheme to meet any shortfall against the Gilts Basis objective.

As part of the valuation process the Scheme Actuary advised the Trustees that, at the valuation date, the direct cash payments together with the escrow funds that will be available in June 2020 will give a better than 50/50 chance of meeting the Gilts Basis objective in 2020.

The results of the actuarial valuation as at 31 December 2013 are not yet available. However, as at 31 December 2012 the funding level of the Scheme had deteriorated significantly to an estimated deficit of approximately £19m (although this was an improvement from £24m as at 31 December 2011). The deterioration since 31 December 2010 was primarily as a result of the fall in government bond yields, which significantly increased the amount assessed as needed to provide the benefits.

The fall in government bond yields since 31 December 2010 also means that, based on the position as at 31 December 2012, the direct cash payments, together with the escrow funds that will be available in June 2020, are less likely to give a better than 50/50 chance of meeting the Gilts Based objective in 2020.

Trustees' Report (continued)

For the year ended 31 December 2013

Financial Development and Actuarial Status

The financial statements on pages 19 to 28 have been prepared and audited in accordance with the Regulations made under Sections 41 (1) and (6) of the Pensions Act 1995. They show that the value of the Scheme increased from £140,752,000 at 31 December 2012 to £147,347,000 at 31 December 2013.

Investments

1. Investment Management

The investment objective set by the Trustees is to achieve the best overall investment return in moving towards the 2020 and 2030 targets set out in the Funding Deed, with a level of risk that is commensurate with this objective, having regard to the agreed level of employer contributions and the covenant of the employers.

The Trustees set the investment strategy for the Scheme after taking advice from the Scheme's Investment Adviser. Day to day investment management has been delegated to the seven investment managers with whom the Trustees have put in place investment mandates to implement the strategy.

In accordance with s.35 of the Pensions Act 1995 (as amended) and with the Occupational Pension Schemes (Investment) Regulations 2005, a Statement of Investment Principles ("SIP") was prepared by the Trustees to reflect the terms set out in the Funding Deed, and which incorporates the investment strategy. The SIP, which was last updated in March 2013, is available on the Lazard London Pensioners' website at <http://www.lazard.com/London/PensionInfo>. The user name is uklazard and the password is 1a7ard (note: number one at start of password). Members may alternatively request a copy from the Scheme Administrator, Capita Employee Benefits Limited (see page 2 for contact details).

Lazard Asset Management rebates all fees to the Scheme, all other investment managers are remunerated by fees based on a percentage of funds under management. Fees for Odey, Veritas, Standard Life and Henderson are included within the unit price of the investment funds and therefore included within the change in market value; all other direct fees are included within note 10. Fees for Odey Investment Management also include a performance related element of 20% above the MSCI World Index return, which is deducted directly from the units of Odey's fund.

2. Asset allocation at 31 December 2013

As at 31 December 2013, the Scheme had seven investment managers:

- Lazard Asset Management ("LAM"), which manages a global equity and defensive equity portfolio;
- Odey Asset Management ("Odey"), which manages a global equity portfolio;
- Veritas Asset Management ("Veritas"), which manages a defensive global equity portfolio;

Trustees' Report (continued)
For the year ended 31 December 2013

Investments (continued)

- Standard Life Investments ("Standard Life"), which manages an absolute return portfolio;
- Ruffer LLP ("Ruffer"), which manages an absolute return portfolio;
- Insight Investment Management ("Insight"), which manages a cash portfolio and a liability matching portfolio that includes a pooled liability matching fund, an absolute return bond fund, an asset backed securities fund and cash funds; and
- Henderson Global Investors ("Henderson"), which manages a secured loans portfolio.

The Scheme's asset allocation as at 31 December 2013 (excluding AVC investments, insurance policies and cash held in the Trustee bank account to meet net outflows), was split approximately as follows:

Name	Portfolio	Asset allocation at 31 December 2013 (%)
Lazard Asset Management	Global equities	7
	Defensive equities	7
Odey	Global equities	8
Veritas	Defensive equities	7
Standard Life	Absolute return portfolio	7
Ruffer	Absolute return portfolio	8
	Total "growth" assets	44
Insight	Liability matching portfolio	43
Henderson	Secured loans	10
Various insurance companies	Insured pensions	3
	Total "defensive" assets	56
	Total Scheme	100

A more detailed breakdown is provided in note 8 of the Notes to the Financial Statements.

The target asset allocation has been set by the Trustees such that the Scheme's investments (excluding AVC investments, insurance policies and cash held to meet net outflows) should comprise 42.5% 'growth' assets and 57.5% 'defensive' assets. The Trustees review the Scheme's asset allocation from time to time, to ensure that the split between growth and defensive assets remains within 5% of the target allocation.

Over the fourth quarter of 2013, a number of changes to the structure of the Schemes' liability matching portfolios took place as the underlying liability matching swap funds were exchanged for units in the Insight Enhanced Selection Real Fund.

After the year-end, the Trustees have agreed to replace the global equity portfolio with LAM and the absolute return portfolio with Standard Life, appointing Baillie Gifford & Co and Barings Asset Management to manage these portfolios (see page 2 for details.)

Trustees' Report (continued)
For the year ended 31 December 2013

Investments (continued)

3. Asset Valuation

A breakdown of the asset valuation as at 31 December 2013 is shown below:

	31 December 2013
	£000s
LAM – global equity	9,564
LAM – defensive global equity	9,413
Odey	10,499
Veritas	9,485
Standard Life	10,102
Ruffer	10,741
Insight	58,311
Henderson	14,099
AVC investments	7,084
Insurance policies	7,559
Total	<u>146,857</u>

4. Investment Performance

The investment performance in this section relates to the Scheme's defined benefit invested assets. The returns from the Scheme's AVC investments, insurance policies and Trustees' bank accounts are not included. Unless otherwise stated, all the returns are shown after the deduction of investment management fees.

The overall Scheme benchmark return is calculated as a composite of each of the underlying investment manager's benchmark returns (which are detailed in Section 6), weighted by each manager's benchmark asset allocation.

Total Returns	2013	3 Years Annualised	5 Years Annualised
Scheme (%)	8.5	7.1	9.4
Benchmark (%)	8.4	5.8	8.0
Relative Performance (%)	0.1	1.3	1.4

Trustees' Report (continued)

For the year ended 31 December 2013

Investments (continued)

Over 2013, the Scheme investments returned 8.5%. All the Scheme's investment managers delivered positive absolute returns, with the exception of LAM's defensive global equity portfolio that was held from April 2013.

The Scheme return over 2013 was greater than the annualised three year period to 31 December 2013 as the Scheme's equity managers benefitted from the sustained rally in global equities. However, performance was slightly below that of the annualised five year period to 31 December 2013 which benefitted from the significant returns of growth assets over 2009 and no longer includes the substantial negative performance over the 2008 financial crisis.

Over three years to 31 December 2013, the Scheme outperformed the benchmark return by 1.3% pa. Outperformance was driven by strong relative performance from the Scheme's absolute return managers and the Insight liability matching portfolio.

Over five years to 31 December 2013, the Scheme outperformed the benchmark return by 1.4% pa.

5. Market Commentary¹

The year 2013 proved to be one of transition, as the post-crisis period of intense economic uncertainty and depressed stock valuations receded and, after a number of false starts in recent years, a seemingly sustainable global economic recovery ensued. The recovery began in the United States and was initially driven by housing, but has now broadened, although it remains lacklustre compared to historical norms. In Europe, Mario Draghi's July 2012 pledge to do "whatever it takes" continued to support confidence in Europe, and GDP growth has broadly stabilised, with most forecasting modest growth in the region in 2014. Fears of a Chinese hard landing dissipated throughout the year, particularly after the Third Plenary resolution assured investors that the government intends to implement reforms.

On the negative side, equity markets declined globally after the US Federal Reserve (the Fed) Chairman Ben Bernanke suggested late in the second quarter that the Fed may start to scale back on its bond purchases. In particular, the emerging markets were affected by the "taper talk". However, global investors ultimately cheered the Fed's December announcement that it would reduce its monthly bond purchases by US\$10 billion, as the decision underscored Fed officials' belief that the country's economic recovery was sustainable.

UK equities were one of the strongest performing asset classes during the year, and appreciated in value over 2013 to make it the market's best year since 2009. Investor confidence rose throughout the course of the year, as UK economic growth gathered momentum, the euro zone continued to stabilise throughout the course of the year, and bond purchase tapering in the US was greeted as a sign of confidence in the US economy. UK equities, along with most global markets, retreated during the second quarter of 2013, as investors considered the withdrawal of stimulus measures in the US and slowing growth in emerging markets. Share prices had, by the middle of May, reached multi-year highs before a sharp correction erased much of the 2013 rally.

¹ Source: Lazard Asset Management, LCP

Trustees' Report (continued)

For the year ended 31 December 2013

Investments (continued)

Global interest rates were relatively stable early in the fourth quarter, consolidating from volatile movements in May and June, and reacting to more local, domestic events. Interest rates drifted higher during August and early September (causing bond assets to fall in value), as economic data in core developed markets generally surprised to the upside. Stronger activity in the US reinforced expectations that the Fed would "taper" its quantitative easing policy in September and rising geopolitical tensions in the Middle East added to ongoing market uncertainty. This uncertainty led to continued outflows from riskier asset classes, especially in emerging markets. In particular, 2013 represented the second-worst year in the 11-year history of emerging markets debt. The primary drivers of negative performance included (a) a rise in US Treasury yield (b) worsening current account deficits across the emerging world, which pressured EM currencies, and (c) relative improvement of developed market growth versus the emerging world. The combination of these factors resulted in abysmal performance for emerging markets fixed income, not only against its own history, but even compared to other fixed-income markets like US Treasuries and global high yield.

6. Investment Manager Commentary

Lazard Asset Management

The Scheme invests in the LAM Global Thematic Fund, a global equity portfolio, and in the LAM Managed Volatility Fund, a defensive global equity portfolio; both portfolios are benchmarked against the MSCI World Index.

The performance target of the Global Thematic Fund is to outperform the benchmark by 3% pa, before fees, over a full market cycle of three to five years. Over one year to 31 December 2013, the portfolio returned 15.9%, which was 8.4% below the benchmark return.

The underperformance of LAM's Global Thematic Fund portfolio was primarily attributed to its exposure to Gold & Precious Metals, as the price of gold bullion fell, and its exposure to emerging markets as this region generally struggled over the year.

Over the three years to 31 December 2013, the Global Thematic Fund returned 5.3% pa, underperforming the benchmark return by 4.1% pa. Therefore, LAM has not achieved its performance target over this three year period. As a result of this poor performance the Trustees took the decision to remove the investment from the Global Thematic Fund in February 2014 and invest with Baillie Gifford & Co and Barings Asset Management.

The performance target of the Managed Volatility Fund is to seek long term capital growth through investment in an actively managed long-only equity portfolio. Since investment on 23 April 2013, the portfolio returned -0.3%, compared to a benchmark return of 7.7%.

The LAM Managed Volatility portfolio was appointed for its defensive characteristics and potential for downside protection in weak market environments. Over the period since the Scheme invested in this portfolio, cyclical stocks have rallied strongly, resulting in the portfolio to lag wider market returns significantly.

Trustees' Report (continued)

For the year ended 31 December 2013

Investments (continued)

Odey Asset Management

Odey manages a global equity portfolio on behalf of the Scheme. This portfolio is benchmarked against the MSCI World Index. Odey does not have a set outperformance target. Therefore, the Trustees measure Odey against a target of 3-5% pa above the benchmark, after fees, over rolling three to five year periods.

Over the year to 31 December 2013, Odey's portfolio returned 28.6%, outperforming the benchmark return by 4.5%.

Odey's outperformance was driven by its exposure to the retail trade and consumer services sectors, which made significant positive contributions to returns over 2013. Odey also benefited from exposure to UK stocks during the market rally over the second half of the year and a particularly profitable position in the shares of broadcasting company Sky Deutschland.

Over the three years to 31 December 2013, Odey has outperformed the benchmark return by 1.4% pa, returning 10.7% pa against a benchmark return of 9.3% pa.

Veritas Asset Management

Veritas manages a defensive global equity portfolio on behalf of the Scheme. This portfolio is benchmarked against the MSCI World Index. Veritas' performance target is to provide a high and growing level of income and thereafter to preserve capital in real terms over the long term.

The Scheme first invested with Veritas on 23 April 2013. Since the Scheme invested to 31 December 2013, Veritas has returned 2.3% compared to a benchmark return of 7.7%.

Veritas was appointed for its defensive characteristics and potential for downside protection in weak market environments. Over the period since the Scheme invested with Veritas, cyclical stocks have rallied and, as expected given the defensive investment process, the portfolio has not kept pace.

Standard Life Investments

Standard Life manages an absolute return portfolio on behalf of the Scheme. This portfolio is benchmarked against six month £ LIBOR (ie cash). Standard Life's performance target is to outperform the benchmark by 5% pa, before fees, over rolling three-year periods.

Over the year to 31 December 2013, Standard Life returned 7.0%, outperforming the cash benchmark return by 6.3%.

Standard Life's exposure to equities was the largest driver of returns over 2013 on the back of the sustained rally in developed equity markets. The portfolio's currency strategies also added value, as Standard Life benefitted from a strengthening US Dollar over the period.

Trustees' Report (continued) For the year ended 31 December 2013

Investments (continued)

Over the three years to 31 December 2013, Standard Life has outperformed the benchmark by 4.9% pa. Therefore Standard Life has fallen just short of target over this three year period.

Ruffer LLP

Ruffer manages an absolute return portfolio on behalf of the Scheme. Ruffer does not provide a benchmark (due to the nature of its approach). Ruffer's target is to "achieve a consistent return that is significantly greater than the Bank of England Base Rate and not to lose money in any 12-month rolling period". As a rough guide, Ruffer targets at least twice the Bank of England Base Rate over the long term.

Over the year to 31 December 2013, Ruffer returned 10.4%. The portfolio's exposure to Japanese equities gave a significant contribution to performance over the year; Ruffer's decision to remove the yen currency risk was also particularly beneficial, as the yen weakened significantly against Sterling. Protective derivative positions on bond holdings also protected capital over the year, in particular during the second quarter.

Over the three years to 31 December 2013, Ruffer has outperformed the benchmark by 3.6% pa, returning 4.6% pa.

Insight Investment Management

Insight manages a cash portfolio and a liability matching portfolio that includes a pooled liability matching fund, an absolute return bond fund, an asset backed securities fund and cash funds.

The liability matching portfolio aims to outperform both gilt and swap based cash flow benchmarks. The objective of both the absolute return bond and asset backed securities portfolios is to outperform three month LIBOR by 2% pa, before fees, over rolling three-year periods.

Over one year to 31 December 2013, Insight's liability matching portfolio returned 2.9%, outperforming its benchmark by 0.9%. Over the three years to 31 December 2013, Insight's liability matching portfolio returned 17.1% pa, outperforming its benchmark by 3.9% pa.

Over one year to 31 December 2013, the Scheme's absolute return bond fund returned 2.5%, outperforming the benchmark by 2.0%. Over the three year period to 31 December 2013, the absolute return bond fund returned 3.6% pa outperforming the benchmark by 2.9% pa. Therefore, Insight has exceeded its target return on this fund over the three year period.

Over one year to 31 December 2013, the asset backed securities fund outperformed its cash benchmark by 5.4%, returning 5.9%. Since inception on 29 June 2011, the asset backed securities fund outperformed its benchmark by 4.6% pa returning 5.3% pa.

Trustees' Report (continued) For the year ended 31 December 2013

Investments (continued)

Henderson Global Investors

Henderson manages a secured loans portfolio on behalf of the Scheme. This portfolio is benchmarked against three month LIBOR. The target for this portfolio is to outperform the benchmark by 2.5% pa, before fees, over rolling three year periods. The Trustees also measure performance against the Credit Suisse Leveraged Loan Index, as a measure of the wider return of the market.

Over one year to 31 December 2013, Henderson returned 7.7%, underperforming the wider market by 1.5%, but outperforming the cash benchmark by 7.2%.

The rally in the secured loans market continued throughout 2013, as improving economic data and low default rates led to a healthy demand for higher yielding assets and global issuance levels continued to rise. Henderson's underperformance was driven by its underweight exposure to low quality assets, specifically distressed credits, as its high quality requirements reduced its ability to fully capture the wider market upturn.

The Scheme first invested with Henderson on 22 June 2011. Since the Scheme invested to 31 December 2013, Henderson has returned 5.9% pa, outperforming the wider market return by 0.2% pa and outperforming its cash benchmark return by 5.2% pa.

Custodial Arrangements

Lazard Asset Management Limited and Odey Asset Management LLP are responsible for custody of the assets of the pooled equity funds in which the Scheme invests, with Citibank N.A and RBC Investor Services Bank S.A, Dublin Branch as sub-custodians respectively.

Citibank N.A. is custodian for the pooled absolute return fund invested with Standard Life Investments. Under the investment management agreement with Ruffer LLP, the Trustees use RBC Investor Services as custodian, with the custody being arranged by Ruffer.

Northern Trust is custodian for the pooled funds invested with Insight Investment Management Limited. BNP Paribas Securities Services is custodian for the pooled secured loans fund invested with Henderson Global Investors.

The custodians are responsible for the safekeeping, monitoring and reconciliation of documentation relating to the ownership of listed investments and are authorised under the Financial Services and Markets Act 2000 to carry out such activities.

Investments are held in the name of the custodians' nominee companies, in line with common practice for pension scheme investments.

Trustees' Report (continued)
For the year ended 31 December 2013

Governance

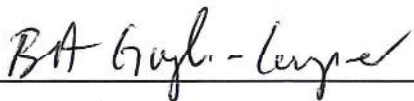
Following the publication in March 2001 of the Myners Report on institutional investment, the Government issued a set of pension fund investment principles based on the Report's recommendations. The principles cover key areas that affect investments including procedures for effective decision-making, clear objectives, adequate focus on asset allocation, adequate expert advice, explicit mandates with fund managers, appropriate benchmarks, appropriate performance measurement and transparency of reporting. Compliance with the principles is voluntary, although the Government is looking to legislate on certain issues.

The Trustees agree with the spirit of the principles and already comply with these aspects of the code. The Trustees regularly review the principles and the governance of the Scheme in general.

Further Information

Further disclosures required by legislation are included in the Compliance Statement on pages 31 and 32.

The Trustees Report, Statement of Trustees' Responsibilities and Compliance Statement were approved and signed on behalf of the Trustee on 15th July 2014

 _____	Trustee
 _____	Trustee

Statement of Trustees' Responsibilities

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, are the responsibility of the trustees. Pension scheme regulations require the trustees to make available to Scheme members, beneficiaries and certain other parties, audited accounts for each Scheme year which :

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice "Financial Reports of Pension Schemes".

The Trustees have supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustees are also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the Schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Independent Auditor's Report to the Trustees of the Lazard London Directors' Pension Scheme

We have audited the financial statements of the Lazard London Directors' Pension Scheme for the year ended 31 December 2013 which comprise the Fund Account, the Net Assets Statement and the related notes. 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).

This report is made solely to the Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereafter. Our audit work has been undertaken so that we might state to the Scheme's Trustees 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 Scheme and the Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities on page 16 the Scheme's Trustees are responsible for the preparation of financial statements which show 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 (APB'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 Scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and nonfinancial information in the rest of the annual report which comprises the Trustees' report, Compliance statement and Actuarial statement and certificate 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

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2013 and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year;

Independent Auditor's Report to the Trustees of the Lazard London Directors' Pension Scheme (continued)

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
LONDON
Date *15th July 2014*

Financial Statements

For the year ended 31 December 2013

Fund Account

	Note	2013 £'000	2012 £'000
Contributions and benefits			
Contributions	3	407	407
Benefits	4	(5,016)	(5,684)
Payments to and on account of leavers	5	-	(584)
Administrative expenses	6	(300)	(330)
		(5,316)	(6,598)
Net withdrawals from member related transactions		(4,909)	(6,191)
Returns on investments			
Investment income	7	5,303	6,293
Change in market value of investments	8	6,524	1,573
Investment management fee rebate	9	45	93
Investment management expenses	10	(368)	(308)
Net returns on investments		11,504	7,651
Net increase in the fund during year		6,595	1,460
Net assets at 1 January		140,752	139,292
Net assets at 31 December		147,347	140,752

The notes on pages 21 to 28 form part of these financial statements.

Financial Statements

As at 31 December 2013

Net Assets Statement

	Note	2013 £'000	2012 £'000
Investment assets	8 (b)	146,857	140,490
Investment liabilities	8 (b)	-	(1)
Current assets	11	610	432
Current liabilities	12	(120)	(169)
Net assets of Scheme at 31 December 2013		147,347	140,752

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of long-term obligations to pay pensions and other benefits expected to arise in the future. The actuarial position of the Scheme, which does take account of such obligations, is dealt within the Trustees' Report, in the Actuarial Status and Funding section on page 6, and the Actuarial Statement on page 33, and these financial statements should be read in conjunction with them.

The notes on pages 21 to 28 form part of these financial statements.

The financial statements were approved by the Trustees on 15th July 2014.

Signed on behalf of the Trustees



Trustee



Trustee

Notes to the Financial Statements

For the year ended 31 December 2013

1. Basis of Preparation

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (Revised May 2007).

2. Accounting Policies

The following accounting policies, which have been applied consistently, have been adopted in the preparation of the financial statements.

Valuation of Investments

Investments are included at market value.

Equities traded through the Stock Exchange Electronic Trading Service ("SETS") are valued on the basis of the bid price. Other quoted investments are valued on the basis of the bid price (or, if unavailable, most recent transaction) on the relevant stock market.

Pooled investment vehicles are valued at the closing bid price if both bid and offer prices are published, or, if single priced, at the closing single price.

AVC with-profits insurance policies are stated at the value advised by the insurance company.

Annuity policies are included in the net assets statement at an actuarial value, based on the discounted value of estimated future proceeds, allowing for mortality.

For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.

Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

All gains and losses arising on derivative contracts are reported within 'Change in Market Value'.

Administrative expenses and Investment management expenses

All administrative expenses are accounted for on an accruals basis.

Investment management fees incurred indirectly through the pricing of pooled investment funds are accounted for within the Change in Market Value.

All direct investment management fees are accounted for on an accruals basis.

Notes to the Financial Statements (continued) For the year ended 31 December 2013

2. Accounting Policies (continued)

Contributions and Benefits

Contributions are accounted for on an accruals basis in the period in which they fall due under the Schedule of Contributions.

Deficit contributions are accounted for on the due dates in accordance with the Schedule of Contributions or on receipt if earlier.

Members can choose whether to take their benefits as a full pension or as a lump sum with a reduced pension. Retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is notified to the Trustees'. Other benefits are accounted for on an accruals basis on the date of retirement, death or leaving the Scheme as appropriate.

Transfers

Individual transfers are accounted for when the transfer has been agreed by both parties and the receiving scheme has accepted liability for the transfer.

Investment Income

Income distributed from pooled investment vehicles is accounted for on the date as advised by the investment manager. Income retained within pooled investment vehicles is reflected in the unit price and is accounted for within the change in market value.

Interest on cash deposits is accounted for on an accruals basis.

Dividends and index linked income are accounted for on an accruals basis from the ex-div date.

Income due under annuity contracts is accounted for on an accruals basis to match the related benefit payment.

Foreign Currencies

Balances denominated in foreign currencies are converted at the rate ruling at the net assets statement date. Asset and liability balances are converted at the bid and offer rates respectively. Transactions denominated in foreign currencies are converted at the rate ruling at the date of the transaction. Differences arising in investment balance conversion are accounted for in the change in market value of investments during the year.

Notes to the Financial Statements (continued)
For the year ended 31 December 2013

3. Contributions

	2013 £'000	2012 £'000
Employers		
Deficit	200	200
Other	207	116
Additional	-	91
	<u>407</u>	<u>407</u>

Other contributions relate to employer reimbursements of the expenses of administration, professional fees, and levies. The additional contribution also relates to the reimbursement of expenses but are for fees paid in advance and relate to amounts due in the future. The employer has also committed to pay deficit contributions of £0.2m per annum from 2012 to 2020 inclusive.

4. Benefits

	2013 £'000	2012 £'000
Pensions	4,730	4,579
Commutations and lump sums on retirement	286	1,105
	<u>5,016</u>	<u>5,684</u>

5. Payments to and on account of Leavers

	2013 £'000	2012 £'000
Individual transfers to other schemes	-	584

6. Administrative Expenses

	2013 £'000	2012 £'000
Actuarial*	52	108
Administration*	19	20
Audit fee*	13	21
Legal and professional*	161	113
PPF Levy*	6	7
Fees in respect of Trustee Services	49	61
	<u>300</u>	<u>330</u>

*reimbursed by the Company, up to an agreed annual ceiling, as agreed in the Schedule of Contributions, see note 3.

Notes to the Financial Statements (continued)
For the year ended 31 December 2013

7. Investment Income

	2013 £'000	2012 £'000
Dividends from AVC investments	58	54
Dividends from equities	245	320
Income from index linked securities	35	46
Income from pooled investment vehicles	4,257	5,162
Interest on cash deposits	1	3
Annuity income	707	708
	<u>5,303</u>	<u>6,293</u>

8. Investments

(a) The movements in total investments during the year were as follows:

	Value at 01/01/2013 £'000	Purchases at Cost and Derivative Payments £'000	Sales Proceeds and Derivative Receipts £'000	Change in Market Value £'000	Value at 31/12/13 £'000
Equities	4,125	11,907	(3,028)	942	13,946
Index linked securities	6,004	3,554	(6,315)	(82)	3,161
Pooled investment vehicles	115,381	49,562	(55,927)	5,210	114,226
Derivatives	205	81	(296)	199	189
Insurance policies	7,968	-	-	(409)	7,559
AVC investments	6,384	55	(21)	664	7,082
	<u>140,067</u>	<u>65,159</u>	<u>(65,587)</u>	<u>6,524</u>	<u>146,163</u>
Cash deposits	409				682
Other investment balances	13				12
	<u>140,489</u>				<u>146,857</u>

The change in market value of investments during the year comprises all profits and losses realised on sales of investments during the year together with gains and losses arising from the revaluation of investments held at the year-end.

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not provided to the Scheme separately.

The investments are held in the name of the custodians' nominee companies, as detailed in the Trustees' Report.

Notes to the Financial Statements (continued)
For the year ended 31 December 2013

8. Investments (continued)

(b) Investment assets

	2013 £'000	2012 £'000
Equities		
- UK	1,537	1,230
- Overseas	12,409	2,895
	<u>13,946</u>	<u>4,125</u>
Index-linked securities		
- UK public sector	1,371	4,308
- Overseas public sector	1,790	1,696
	<u>3,161</u>	<u>6,004</u>
Pooled investment vehicles		
- Unitised insurance policies – overseas	22,363	37,181
- Other managed funds	91,863	78,200
	<u>114,226</u>	<u>115,381</u>
Derivatives contracts		
- Options	-	14
- Forward foreign exchange	189	192
	<u>189</u>	<u>206</u>
Other investment balances		
- Insurance policies	7,559	7,968
- AVC investments	7,082	6,384
- Cash deposits	682	409
- Accrued income	12	13
	<u>15,335</u>	<u>14,774</u>
Total investment assets	<u>146,857</u>	<u>140,490</u>
Investment liabilities		
	2013 £'000	2012 £'000
Derivative contracts		
- Forward exchange contracts	-	(1)
Total investment liabilities	<u>-</u>	<u>(1)</u>
Net investment assets	<u>146,857</u>	<u>140,489</u>

Notes to the Financial Statements (continued)
For the year ended 31 December 2013

8. Investments (continued)

Pooled investment vehicles are managed by companies registered in the UK.

Insurance policies include annuities relating to AVC's of £3,801,244 (2012: £3,945,587).

(c) Derivative Contracts

(i) Forward foreign exchange contracts

Forward foreign exchange contracts are used because one of the Scheme's investment managers has significant exposure to overseas investments, predominantly in the form of equities. In order to reduce the Scheme's exposure to foreign exchange fluctuations the Scheme has entered into a number of foreign exchange contracts.

Settlement Date	Currency Bought	Value of Currency Bought '000	Currency Sold	Value of Currency Sold '000	2013 Assets £'000	2013 Liability £'000
14/03/2014	GBP	610	EUR	512	5	-
16/01/2014	GBP	217,170	JPY	1,395	149	-
14/02/2014	GBP	1,354	USD	853	35	-
					189	-

(d) Concentration of Investments

Each of the following investments account for more than 5% of the Scheme's net assets, as at 31 December 2013.

	2013 %	2012 %
Lazard Global Thematic Fund	6.5	16.3
Lazard Global Manager Fund	6.4	-
Insight Bonds Plus	22.0	19.5
Insight Liquidity Fund	-	5.8
Insight LDI Solutions	9.2	9.7
Insight Global Fund	6.0	-
Odey Allegra International Fund	7.2	8.5
Standard Life Global Absolute Returns Fund	6.9	6.7
Henderson's Global Investors Secured Loan Fund	9.6	7.3
Veritas Global Equity Income Fund	6.5	-

Notes to the Financial Statements (continued)
For the year ended 31 December 2013

8. Investments (continued)

(e) AVC Investments

The Trustees hold assets, invested separately from the main fund, in the form of individual investments. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions. Members participating in this arrangement receive an annual statement, confirming the amounts held in their account and the movements during the year. The total amount of AVC investments (market value) at the year end is shown below:

	2013 £'000	2012 £'000
Cazenove Capital Management and Jupiter Unit Trust Managers	7,082	6,384

9. Investment Management Fee Rebate

	2013 £'000	2012 £'000
Rebate of investment management fees	45	93

10. Investment Management Expenses

	2013 £'000	2012 £'000
Administration, management and custody	368	308

11. Current Assets

	2013 £'000	2012 £'000
Pensions paid in advance	250	254
Investment manager's fee rebate due	6	48
Employer contributions receivable*	207	-
Cash balances	147	130
	610	432

* Contributions receivable at the year end were subsequently received in accordance within the timescale set out in the Schedule of Contributions in force.

Notes to the Financial Statements (continued)
For the year ended 31 December 2013

12. Current Liabilities

	2013 £'000	2012 £'000
Administrative and investment management expenses	120	169

13. Related Party Transactions

There was no direct investment in any Lazard company, including in the employers participating in the Scheme, at any time during the year or at the year end.

Investments under management by Lazard Asset Management Limited represented 13.0% of the net assets of the Scheme as at 31 December 2013 (2012: 16.3%).

During the year, fee rebates have been received from associates of Lazard & Co., Services Limited, as disclosed in note 9.

Two (2012: four) of the Trustees of the Scheme are pensioner members receiving benefits from the Scheme.

Fees of £26,000 (2012: £34,000) in respect of Trustee Services were paid in the year by Lazard & Co., Services Limited. In addition the company was reimbursed for the payments made on behalf of the Scheme as disclosed in note 6.

Independent Auditor's Statement about Contributions to the Trustees of the Lazard London Directors' Pension Scheme

We have examined the Summary of Contributions to the Lazard London Directors' Pension Scheme in respect of the scheme year ended 31 December 2013 which is set out on page 30.

This statement is made solely to the Trustees, as a body, in accordance with the Pensions Act 1995 and Regulations made thereafter. Our audit work has been undertaken so that we might state to the Schemes Trustees those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Schemes Trustees as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of trustees and the auditor

As explained more fully in the Trustees' Responsibilities Statement on page 16, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of the active members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a statement about contributions paid under the Schedule of Contributions and to report our opinion to you.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

Statement about contributions payable under the Schedule of Contributions

In our opinion, contributions for the Scheme year ended 31 December 2013 as reported in the Summary of Contributions and payable under the Schedule of Contributions have, in all material respects, been paid at least in accordance with the Schedule of Contributions certified by the Scheme Actuary on 30 April 2012.

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

LONDON

Date

15th July 2014

Summary of Contributions Payable in the year ended 31 December 2013

During the year, the contributions payable to the Scheme by the Employer were as follows:

	Employer £'000
Required by the Schedule of Contributions	
Deficit contributions	200
Other	207
	407

Signed on behalf of the Trustees of the Lazard London Directors' Pension Scheme

on 15th July 2014

Trustee

BIT Gayle-Langer

Trustee



Compliance Statement

Constitution

The Scheme is governed by a definitive Trust Deed dated 25 November 1985, with subsequent amendments.

Taxation Status

The Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004. The Trustees know of no reason why this status may be prejudiced or withdrawn.

Pension Increases

All pensions in payment as at 1 January 2013 were increased by 3% (2012: 5.0%).

Calculation of Transfer Values

Transfer values paid during the year were calculated and verified in the manner required by the Regulations. None of the transfer values paid were less than the amount required by the Regulations.

Employer-Related Investment

There was no direct employer-related investment at any time during the year. Any indirect employer related investments within collective investment vehicles would be significantly less than 1% of Scheme assets.

The Pensions Regulator

The statutory body that regulates Occupational Pension Schemes is the Pensions Regulator ('tPR'). tPR can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW
Telephone: 0870 6063636

Email: customersupport@thepensionsregulator.gov.uk
Website: www.thepensionsregulator.gov.uk

Compliance Statement (continued)

Pension Tracing

A pension tracing service is provided by the Department for Work and Pensions. This service can be contacted as follows:

Pension Tracing Service
The Pension Service
Whitley Road
Newcastle upon Tyne
NE98 1BA
Telephone: 0845 6002537
Website: www.thepensionservice.gov.uk

The Pensions Advisory Service

Any concerns connected with the Scheme should be referred to the Secretary to the Trustees, Inside Pensions, who will try to resolve the problem as quickly as possible. Members and beneficiaries of pension schemes who have problems concerning their scheme which are not satisfied by the information or explanation given by the administrators or the Trustees can consult with The Pensions Advisory Service. A local advisor can usually be contacted through a Citizens Advice Bureau. Alternatively The Pensions Advisory Service can be contacted at:

11 Belgrave Road
London SW1V 1RB
Telephone: 0845 6012923
Email: enquiries@pensionsadvisoryservice.org.uk
Web site: www.pensionsadvisoryservice.org.uk

Pensions Ombudsman

In cases where a complaint or dispute cannot be resolved, normally after the intervention of the Pensions Advisory Service, an application can be made to The Pensions Ombudsman to investigate and determine any complaint or dispute of fact or law involving Occupational Pension Schemes. The address is:

11 Belgrave Road
London SW1V 1RB
Telephone: 020 7834 9144
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

Actuarial Statement

This certificate is provided for the purpose of Section 225(1) of the Pensions Act 2004 and Regulation 7(4)(a) of the Occupational Schemes (Scheme Funding) Regulations 2005

Name of Scheme **Lazard London Directors' Pension Scheme**

Effective date of valuation **31 December 2010**

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Scheme's technical provisions as at 31 December 2010 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustees of the Scheme in accordance with those Regulations and set out in the Statement of Funding Principles dated 30 April 2012.

Signature *Jeremy Dell* **Date** 30 April 2012

Name Jeremy Dell (Fellow of the Institute of Actuaries)

Address Lane Clark & Peacock
95 Wigmore Street
London W1U 3DQ

Actuarial Certification of Schedule of Contributions

Name of Scheme **Lazard London Directors' Pension Scheme**

Effective date of valuation **31 December 2010**

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that they statutory funding objective could have been expected on 31 December 2010 to be met by the end of the period specified in the recovery plan dated 30 April 2012.

Adherence to Statement of Funding Principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 30 April 2012.

The certification of the adequacy of rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were wound up.

Signature *Jeremy Dell* **Date** 30 April 2012

Name Jeremy Dell (Fellow of the Institute of Actuaries)

Address Lane Clark & Peacock
95 Wigmore Street
London W1U 3DQ