Registered number
04244798

W. P. Carey & Co Limited

Report and Accounts

31 December 2009

W. P. Carey & Co. Limited
Report and accounts
Contents

W. P. Carey & Co. Limited
Registered number: 04244798
Directors' Report

The directors present their report and accounts for the year ended 31 December 2009

Principal activities and review of the business
The company's principal activity during the year continued to be as an advisor and arranger of investments in real estate transactions by special purpose vehicles owned by the CPA series of US REITs managed by W P Carey & Co LLC

Development and performance of the business
The company has continued to identify of new investment opportunities and this has resulted in a 53% (2008 69%) growth in turnover The impact on turnover and the profitbility of the company is shown below The directors are confident that the company will continue to find further opportunities which will enable it to build on this success

	2009	2008
Turnover	£1,475,148	£964,119
Gross profit margin	31%	(10 3%)
Profit before tax	£304,871	£(152,223)

At the end of the period net assets totalled £757,112 (2008 £387,298)

Financial Risk management objectives and policies
The company's operations expose it to financial risk that mainly include liquidity risk

Liquidity risk

The company seeks to manage the liquidity risk by ensuring sufficient cash through funding is available to meet foreseeable needs

Results and dividends

The results for the company are set out in the financial statements

The directors recommend no dividends for 2009

Directors
The following persons served as directors during the year

Jan Karst
Edward Lapuma

Disclosure of information to auditors
Each person who was a director at the time this report was approved confirms that

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

W. P. Carey & Co. Limited
Registered number: 04244798
Directors' Report

Auditors

The audit business of RSM Bentley Jennison, who had previously been appointed as the company's auditors has merged with that of RSM Tenon Audit Limited who succeeded to the office of auditors to the company The audit report on the financial statements has therefore been issued by the successor firm, RSM Tenon Audit Limited

This report was approved by the board on 9/10/10 and signed on its behalf

Jan Karst

Jan Karst
Director

W. P. Carey & Co. Limited
Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the accounts 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 accounts,
- prepare the accounts 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 accounts 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

W. P. Carey & Co. Limited
Independent auditors' report
to the shareholders of W. P. Carey & Co. Limited

We have audited the accounts of W P Carey & Co Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet 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 company's members, as a body, in accordance with Section 495 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 auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit
An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts

Opinion on the accounts
In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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

RSM Tenon Audit Limited

David Talbot (Senior Statutory Auditor)
for and on behalf of RSM Tenon
Accountants and Statutory Auditors
28/9/10

45 Moorfields
London
EC2Y 9AE

W. P. Carey & Co. Limited
Profit and Loss Account
for the year ended 31 December 2009

	Notes	2009	2008 *as restated*
		£	£
Turnover	2	1,475,148	964,119
Administrative expenses		(1,172,666)	(1,128,433)
Operating profit/(loss)	3	302,482	(164,314)
Interest receivable		2,389	12,091
Profit/(loss) on ordinary activities before taxation		304,871	(152,223)
Tax on profit/(loss) on ordinary activities	6	(85,810)	20,437
Profit/(loss) for the financial year		219,061	(131,786)

Continuing operations
None of the company's activities were acquired or discontinued during the above two financial years

W. P. Carey & Co. Limited
Statement of Recogised Gains and Losses
as at 31 December 2009

	Notes	2009 £	2008 *as restated* £
Net profit/(loss) for the year		219,061	(131,786)
Total recognised gains and losses for the year		219,061	(131,786)
Prior year adjustment		(64,474)	
Total recognised gains and losses since last annual report		154,587	

W. P. Carey & Co. Limited
Balance Sheet
as at 31 December 2009

Registered number 04244798

	Notes		2009		2008 *as restated*
			£		£
Fixed assets					
Tangible assets	7		3,871		17,707
Current assets					
Debtors	8	752,242		145,348	
Cash at bank and in hand		220,822		323,403	
		973,064		468,751	
Creditors: amounts falling due within one year	9	(219,823)		(85,416)	
Net current assets			753,241		383,335
Total assets less current liabilities			757,112		401,042
Creditors amounts falling due after more than one year	10		-		(13,744)
Net assets			757,112		387,298
Capital and reserves					
Called up share capital	11		225,000		225,000
Other reserve	12		215,227		64,474
Profit and loss account	13		316,885		97,824
Shareholders' funds	14		757,112		387,298

Jan Karst

Jan Karst
Director
Approved by the board on 9/27/10

W. P. Carey & Co. Limited
Notes to the Accounts
for the year ended 31 December 2009

1 Accounting policies

Basis of preparation
The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Depreciation
Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Leasehold land and buildings	over the lease term
Plant and machinery	over 5 years

Deferred taxation
Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates

Stock option compensation scheme
Employees of the company participate in the parent company's stock based compensation scheme The parent company issues equity-settled share-based payments to certain employees Equity settled share-based payments are measured at fair value (excluding the effect of non market based returns conditions) at the date of grant The fair value determined at grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions

Restricted Share Units ("RSU's") and Performance Share Units ("PSU's") are granted in the name of the employee who has all the rights of a shareholder subject to restrictions on transfers and risk of forfeiture PSU's and RSU's are valued at the market value of shares after the parent company at the date of grant

Leasing and hire purchase commitments
Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

W P Carey & Co. Limited
Notes to the Accounts
for the year ended 31 December 2009

2 Turnover

Turnover consists of a service fee charged to W P Carey & Co LLC in respect of advisory services and is recognised on an accruals basis It is based on a multiple of all costs, excluding bonuses and share based compensation payments Turnover can also include a success fee following the acquisition of assets under the company's management All turnover is attributable to work in the United Kingdom

3 Operating profit

	2009	2008 *as restated*
	£	£
This is stated after charging		
Depreciation of owned fixed assets	13,836	27,116
Operating lease rentals - land buildings	-	93,800
Auditors' remuneration for audit services	12,500	12,500

4 Staff costs

	2009	2008
	£	£
Wages and salaries	434,481	504,682
Social security costs	86,025	65,096
Other pension costs	37,595	26,813
	558,101	596,591

Average number of employees during the year	**Number**	**Number**
Administration	4	3

5 Prior year adjustment

The prior year financial statements have been adjusted to correct the omission of that year's share based compensation expense The prior year profit and loss account has been restated to include a charge of £64,474 within administrative expense There is no effect in the prior year balance sheet except for the "other" reserve and a decrease in the profit and loss reserve

W. P Carey & Co Limited
Notes to the Accounts
for the year ended 31 December 2009

6 Taxation

	2009	2008 *as restated*
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	85,730	-
Adjustments in respect of previous periods	-	(19,525)
	85,730	(19,525)
Deferred tax		
Current year	80	(912)
Tax on profit/(loss) on ordinary activities	85,810	(20,437)

Factors affecting tax charge for period
The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2009	2008 *as restated*
	£	£
Profit/(loss) on ordinary activities before tax	304,871	(152,223)
Standard rate of corporation tax in the UK	28%	29%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	85,364	(44,145)
Effects of		
Expenses not deductible for tax purposes	(1,125)	19,812
Capital allowances for period in excess of depreciation	214	639
Depreciation on non-qualifying asset leasehold improvement	1,277	1,921
Adjustments to tax charge in respect of previous periods	-	(19,525)
Losses carried back		21,773
Current tax charge for period	85,730	(19,525)

Factors that may affect future tax charges

7 Tangible fixed assets

	Telephone Equipment	Short leasehold land and buildings	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 January 2009	25,071	27,826	102,824	155,721
At 31 December 2009	25,071	27,826	102,824	155,721
Depreciation				
At 1 January 2009	21,311	23,265	93,438	138,014
Charge for the year	3,760	4,561	5,515	13,836
At 31 December 2009	25,071	27,826	98,953	151,850
Net book value				
At 31 December 2009	-	-	3,871	3,871
At 31 December 2008	3,760	4,561	9,386	17,707

8 Debtors

	2009	2008 *as restated*
	£	£
Amounts owed by parent undertakings and undertakings in which the company has a participating interest	692,181	-
Other debtors	8,448	86,636
Prepayments and accrued income	38,700	42,057
Recoverable VAT	12,913	16,655
	752,242	145,348

9 Creditors amounts falling due within one year

	2009	2008 *as restated*
	£	£
Trade creditors	567	8,903
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	46,700
Corporation tax	66,205	(19,525)
Other taxes and social security costs	57,089	24,368
Accruals and deferred income	95,962	24,970
	219,823	85,416

10 Creditors amounts falling due after one year

	2009	2008
	£	£
Accruals and deferred income	-	13,744

11 Share capital

	2009	2008	2009	2008
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	225,000	225,000	225,000	225,000

12 Other reserve

	2009 £	2008 *as restated* £
At 1 January as previously stated	-	-
Prior year adjustment	64,474	
As at 1 January as restated	64,474	-
Credit to equity for equity-settled share based payments	150,753	64,474
At 31 December	215,227	64,474

Other reserve's represent credits in respect of share based payments

13 Profit and loss account

	2009 £	2008 £ *as restated*
At 1 January as previously stated	162,298	229,610
Prior year adjustment (note 5)	(64,474)	-
At 1 January as restated	97,824	229,610
Profit/(loss) for the financial year	219,061	(131,786)
At 31 December	316,885	97,824

14 Reconciliation of movement in shareholders' funds

	2009 £	2008 *as restated* £
Profit/(loss) for the financial year	219,061	(131,786)
Credit to equity for equity-settled share based payments	150,753	64,474
Net addition (reduction) to shareholders funds	369,814	(67,312)
Opening shareholders' funds as restated	387,298	454,610
At 31 December	757,112	387,298

15 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2009 £	Land and buildings 2008 £	Other 2009 £	Other 2008 £
Operating leases which expire within one year	80,000	93,800	-	-

16 Stock based compensation

At December 31, 2009, the Parent maintained several stock-based compensation plans as described below The total compensation expense (net of forfeitures) for these plans was £150,800 and £64,500 for the years ended December 31, 2009 and 2008, respectively

1997 Share Incentive Plan

The Parent company maintain the 1997 Share Incentive Plan (as amended, the "1997 Incentive Plan"), which authorised the issuance of up to 6,200,000 shares of their Common Stock, of which 5,892,253 were issued or are currently reserved for issuance upon exercise of outstanding options and vesting of restricted units and performance units at December 31, 2009 The 1997 Incentive Plan has been replaced by a new stock incentive plan (see "2009 Incentive Plan" below), and as a result no further awards can be made under the 1997 Incentive Plan The 1997 Incentive Plan provided for the grant of (i) share options, which may or may not qualify as incentive stock options under the Code , (ii) performance shares or units ("PSUs"), (iii) dividend equivalent rights and (iv) restricted shares or units ("RSUs") The vesting of grants is accelerated upon a change in our control and under certain other conditions Options granted under the 1997 Incentive Plan generally have a 10-year term and generally vest in four equal annual installments

In December 2007, the Compensation Committee of WP Carey & Co LLC approved a long-term incentive compensation program (the "LTIP") and terminated further contributions to the Partnership Equity Unit Plan described below In 2008, the Compensation Committee approved long-term incentive awards consisting of 32,500 RSUs and 12,500 PSUs under the LTIP through the 1997 Incentive Plan In 2009, the Compensation Committee granted 12,500 RSUs and 12,500 PSUs under the LTIP through the 1997 Incentive Plan The RSUs generally vest over three years Vesting and payment of the PSUs is conditional on certain performance goals being met by us during the performance period The ultimate number of PSUs to be vested will depend on the extent to which we meet the performance goals at the end of the three-year performance period and can range from zero to three times the original awards At the end of each reporting period, we evaluate the ultimate number of PSUs we expect to vest based upon the extent to which we have met and expect to meet the performance goals and where appropriate revise our estimate and associated expense

Upon vesting, the RSUs and PSUs may be converted into shares of our common stock Both the RSUs and PSUs carry dividend equivalent rights Dividend equivalent rights on RSUs are paid in cash on a quarterly basis whereas dividend equivalent rights on PSUs accrue during the performance period and may be converted into additional shares of common stock at the conclusion of the performance period to the extent the PSUs vest Dividend equivalent rights are accounted for as a reduction to retained earnings to the extent that the awards are expected to vest For awards that are not expected to vest or do not ultimately vest, dividend equivalent rights are accounted for as additional compensation expense

As a result of issuing these awards, the parent company currently expect to recognize compensation expense totaling approximately £328,750 over the vesting period, of which £150,753 and £64,474 was recognised during 2009 and 2008, respectively

2009 Share Incentive Plan

In June 2009, the parent comapny stockholders approved the 2009 Share Incentive Plan (the "2009 Incentive Plan") to replace the 1997 Incentive Plan, except with respect to outstanding contractual obligations under the 1997 Incentive Plan, so that no further awards can be made under that plan The 2009 Incentive Plan authorizes the issuance of up to 3 6 million shares of our common stock and provides for the grant of (i) share options, (ii) restricted shares or units, (iii) performance shares or units, and (iv) dividend equivalent rights The vesting of grants is accelerated upon a change in our control and under certain other conditions Future grants under the LTIP will be made under the 2009 Incentive Plan

16 Stock based compensation - Continued

Nonvested restricted stock and RSU awards activity for 2009 and 2008 were as follows

	2009 Shares	2009 Weighted Average Grant Date Fair Value £	2008 Shares	2008 Weighted Average Grant Date Fair Value £
Nonvested Beginning of Year	34,500	13 86	2,000	20 62
Granted	12,500	14 79	32,500	14 97
Vested	(11,333)	13 79	-	-
Forfeited	(30,000)	13 58	-	-
Nonvested at End of Year	5,667	17 51	34,500	15 31

Nonvested PSU awards at December 31, 2009 and 2008 were as follows

	2009 Shares	2009 Weighted Average Grant Date Fair Value £	2008 Shares	2008 Weighted Average Grant Date Fair Value £
Nonvested Beginning of Year	12,500	16 53	-	-
Granted	12,500	16 36	32,500	18 24
Vested	(4,167)	16 53	-	-
Forfeited	(16,667)	15 81	-	-
Nonvested at End of Year	4,167	18 89	34,500	18 24

17 Related parties

As the company is a wholly owned subsidiary and the related party transactions are disclosed in the consolidated financial statements of the group, it has taken advantage of the exemptions under FRS 8 not to disclose transactions with other companies within the group

18 Controlling party

The immediate parent undertaking is Carey Asset Management Corp , a company incorporated in the state of Delaware, USA

The ultimate parent undertaking and controlling party is W P Carey & Co LLC, a company incorporated in Delaware, which is the largest group to consolidate these financial statements Copies of the financial statements of W P Carey & Co LLC are available at the following address

W P Carey & Co LLC
50 Rockefeller Plaza
New York NY 10020
USA