

W.P. Carey & Co Limited
Registered Number 04244798

**Director's Report and Financial Statements
For The Year Ended 31 December 2004**



W .P. Carey & Co Limited

Director's Report and Financial Statements

For The Year Ended 31 December 2004

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W.P. Carey & Co Limited

Year ended 31 December 2004

Director's Report for the year ended 31 December 2004

The Directors submit their report and the audited financial statements for the year ended 31 December 2004

Principal Activities

The principal activity of the Company is 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.

Review of developments and future prospects

The level of business during the year was satisfactory. The Directors expect an upward trend in the business activities for the coming year.

Results and dividends

The activities of the Company resulted in a profit after tax of £39,973. The Directors do not recommend the payment of a dividend. The profit of £39,973 will be transferred to reserves.

Directors and their interests

The following served as Directors during the year

James Longden
Anne R Coolidge

As at 31 December 2004, no Directors held an interest in the shares of the Company.

W.P. Carey & Co Limited

Year ended 31 December 2004

Statement Of Director's Responsibilities

Company Law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. The Directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to assume that the company will continue in business.

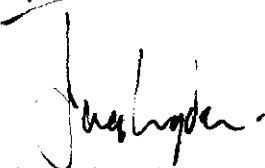
The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

PricewaterhouseCoopers LLP are the company's auditors. A resolution to reappoint the Auditors to the company will be proposed at an extraordinary general meeting.

By order of the Board



James Longden

Director

Date: 31 March 2005

W. P. Carey & Co Limited

Year ended 31 December 2004

Independent Auditor's Report To The Members of W. P. Carey & Co Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes 1 to 12.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statements of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

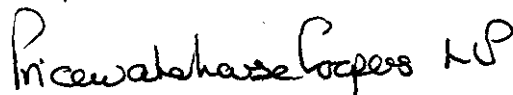
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, 31 March 2005

W .P. Carey & Co Limited

Profit and loss account for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover		1,178,056	477,699
Administrative Expenses	2,3	1,102,802	446,448
Operating Profit		<u>75,254</u>	<u>31,251</u>
Other interest receivable and similar income		1,816	-
Profit on ordinary activities before taxation		<u>77,070</u>	<u>31,251</u>
Tax on profit on ordinary activities	4	37,097	8,131
Profit for the financial year		<u>39,973</u>	<u>23,120</u>
Dividends		-	-
Retained profit for the financial year		<u>39,973</u>	<u>23,120</u>


The Company has no recognised gains and losses other than those included in profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented. All operations of the business are continuing.

W.P. Carey & Co Limited

Balance Sheet As At 31 December 2004

	Notes	2004 £	2003 £
Fixed Assets			
Tangible Assets	5	55,190	1,916
Current Assets			
Debtors	6	243,697	63,362
Cash At Bank And In Hand		<u>65,587</u> 309,284	<u>115,382</u> 178,744
Creditors: amounts falling due within one year	7	<u>158,206</u>	<u>94,865</u>
Net Current Assets		151,078	83,879
Creditors: amounts falling due after more than one year	7	80,500	-
Net Assets		<u>125,768</u>	<u>85,795</u>
Capital and Reserves			
Called up share capital	8	45,000	45,000
Profit and Loss Account	10	80,768	40,795
Total shareholders' funds		<u>125,768</u>	<u>85,795</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on
and were signed on its behalf by:



James Longden
Director

Date: 31 March 2005

W.P. Carey & Co Limited

Year ended 31 December 2004

Notes to the financial statements for the year ended 31 December 2004

1 Accounting Policies

Accounting Convention

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The Directors consider that the accounting policies set out below are suitable and have been consistently applied and are supported by reasonable and prudent judgements and estimates.

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention.

Cash flow statement

The company is a wholly owned subsidiary of W. P. Carey & Co LLC and is included in the financial statements of W. P. Carey & Co LLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Turnover

The turnover represents a service fee charged to W. P. Carey & Co LLC in respect of advisory services and is recognised on an accruals basis.

Tangible Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, on a straight line basis over the expected useful economic lives of the assets concerned.

Office equipment	33%
Telephone equipment	5 Years
Leasehold improvements	5 Years

Related Party Transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 not to disclose related party transactions between wholly owned group undertakings.

Taxation

Current taxes are based on the results of the company and are calculated according to local tax rules.

Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to payless tax in the future have occurred at the balance sheet date, measured at expected future tax rates. No discounting of the deferred tax liabilities or assets is applied.

W.P. Carey & Co Limited

Year ended 31 December 2004

Notes to the financial statements for the year ended 31 December 2004

1 Accounting Policies (continued)

Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2004 £	2003 £
Depreciation		
Charge for the year	4,696	237
Operating lease charges		
Land and buildings	88,383	32,058
Auditors' Remuneration		
For audit services	<u>17,500</u>	<u>12,000</u>
Staff Costs		
Directors' emoluments (see Note 3)	294,458	281,084
Wages and salaries	315,878	29,299
Social security costs	75,324	34,032
Total staff costs	<u>685,660</u>	<u>344,415</u>
 The average monthly number of employees	 <u>4</u>	 <u>2</u>

3 Directors' Emoluments

	2004 £	2003 £
Aggregate emoluments	275,239	261,262
Company contributions to personal pension scheme	19,219	19,822
Total emoluments	<u>294,458</u>	<u>281,084</u>

W.P. Carey & Co Limited

Year ended 31 December 2004

Notes to the financial statements for the year ended 31 December 2004

4 Taxation

Current Tax	2004 £	2003 £
UK corporation tax on ordinary activities		
Current year	34,350	9,163
Prior year adjustment	25	166
	<u>34,375</u>	<u>9,329</u>
Deferred Tax		
Current year	2,520	59
Prior year adjustment	202	(1,257)
	<u>2,722</u>	<u>(1,198)</u>
Tax on profit on ordinary activities	<u>37,097</u>	<u>8,131</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	77,070	31,251
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	23,121	9,375
Effects:		
Advanced capital allowances	(2,520)	(520)
Disallowable expenditure	13,749	308
Current tax charge	<u>34,350</u>	<u>9,163</u>

5 Tangible assets

	Office Equipment	Telephone Equipment	Leasehold Improvements	Total £
Cost				
At 1 January 2004	2,153	-	-	2,153
Additions	16,336	25,071	16,563	57,970
At 31 December 2004	<u>18,489</u>	<u>25,071</u>	<u>16,563</u>	<u>60,123</u>
Accumulated Depreciation				
At 1 January 2004	237	-	-	237
Charge for the year	2,473	1,253	970	4,696
At 31 December 2004	<u>2,710</u>	<u>1,253</u>	<u>970</u>	<u>4,933</u>
Net Book Amount				
At 31 December 2004	<u>15,779</u>	<u>23,818</u>	<u>15,593</u>	<u>55,190</u>
At 31 December 2003	<u>1,916</u>	<u>-</u>	<u>-</u>	<u>1,916</u>

W.P. Carey & Co Limited

Year ended 31 December 2004

Notes to the financial statements for the year ended 31 December 2004

6 Debtors

	2004 £	2003 £
Trade Debtors	6,756	-
Other Debtors	158,608	-
Amounts owed by group undertakings	10,414	48,865
VAT recoverable	33,444	12,230
Prepayments and accrued income	34,475	1,069
Deferred tax	-	1,198
	<u>243,697</u>	<u>63,362</u>

Included above are the following amounts due after more than 1 year:

Other Debtors	<u>135,608</u>	<u>-</u>
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7 Creditors

	2004 £	2003 £
Amounts falling due within one year		
Trade Creditors	48,276	9,181
Corporation Tax	34,350	9,163
Other taxes and social security costs	14,063	60,338
Accruals and deferred income	59,993	16,183
Total Creditors due within one year	<u>156,682</u>	<u>94,865</u>

Provision for liabilities and charges

Deferred Tax	<u>1,524</u>	<u>-</u>
	<u>158,206</u>	<u>94,865</u>

Amounts falling due after more than one year

Accruals and deferred income	<u>80,500</u>	<u>-</u>
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8 Share Capital

	2004 £	2003 £
45,000 authorised, issued and fully paid up shares of £1 each	<u>45,000</u>	<u>45,000</u>

W.P. Carey & Co Limited

Year ended 31 December 2004

Notes to the financial statements for the year ended 31 December 2004

9 Contingent liabilities and commitments

There are no contingent liabilities and commitments known to the Directors.

10 Profit and loss account

	2004 £	2003 £
Balance as at 31 December 2003	40,795	17,675
Retained profit for the financial year	39,973	23,120
Balance as at 31 December 2004	<u>80,768</u>	<u>40,795</u>

11 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial period	39,973	23,120
Issue of share capital in that year	-	-
Opening shareholders' funds	85,795	62,675
Closing shareholders' funds	<u>125,768</u>	<u>85,795</u>

12 Operating leases

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows

	2004 £	2003 £
Land and buildings		
Expiry date:		
Within one year	-	44,000
Between one and five years	93,800	-
	<u>93,800</u>	<u>44,000</u>

13 Ultimate Holding Company and 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