Company registration number: 04244798

W. P. Carey & Co. Limited

Financial statements

31 December 2018

W. P. Carey & Co. Limited

Company information

Directors	Mr Gregory Butchart Mr Jason E. Fox Ms ToniAnn Sanzone
Secretary	Reed Smith Corporate Services Limited
Company number	04244798
Registered office	The Broadgate Tower Third Floor 20 Primrose Street London EC2A 2RS
Business address	17 Duke of York Street London SW1Y 6LB
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

W. P. Carey & Co. Limited

Contents

W. P. Carey & Co. Limited

Directors' report
Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Principal activity
Advisor and arranger of investments in real estate transactions by special purpose vehicles owned by the CPA series of US REITs (Real Estate Investment Trusts) managed by W. P. Carey Inc.

Directors
The directors who served the company during the year were as follows:

ToniAnn Sanzone
Jason E. Fox (Appointed 1 January 2018)
Gregory Butchart

Qualifying indemnity provision
The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Statement of directors' responsibilities
The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor, RSM UK Audit LLP, is deemed to have been re-appointed in accordance with section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24/09/2019 and signed on behalf of the board by:

ToniAnn Sanzone

ToniAnn Sanzone
Director

W. P. Carey & Co. Limited

Independent auditor's report to the shareholders of W. P. Carey & Co. Limited Year ended 31 December 2018

Opinion

We have audited the financial statements of W. P. Carey & Co. Limited (the 'company') for the year ended 31 December 2018 which comprise Statement of Comprehensive Income, Statement of Financial Position and and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

• give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

• have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit o the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

• the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorized for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the shareholders of W. P. Carey & Co. Limited (continued) Year ended 31 December 2018

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
• the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Independent auditor's report to the shareholders of
W. P. Carey & Co. Limited (continued)
Year ended 31 December 2018

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

RSM UK AUDIT LLP

Joanna Sowden (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
24 September 2019

W. P. Carey & Co. Limited

Statement of comprehensive income
Year ended 31 December 2018

	Note	2018 USD	Restated 2017 USD
Turnover	3	6,441,369	5,924,817
Administrative expenses		(5,140,523)	(6,369,369)
Operating profit/(loss)		1,300,846	(444,552)
Interest receivable/(payable) and similar charges	5	16,072	(227)
Profit/(loss) on ordinary activities before taxation		1,316,918	(444,779)
Taxation	6	(11,599)	62,698
Profit/(loss) for the financial year and total comprehensive income		1,305,319	(382,081)

The notes on pages 8 to 19 form part of these financial statements.

W. P. Carey & Co. Limited

Statement of financial position
31 December 2018

	Note	USD	2018 USD	USD	Restated 2017 USD
Fixed assets					
Tangible assets	7	244,823		286,481	
			244,823		286,481
Current assets					
Debtors	8	8,135,998		7,250,498	
Cash at bank and in hand		1,369,476		549,003	
		9,505,474		7,799,501	
Creditors: amounts falling due within one year	9	(5,177,707)		(5,598,271)	
Net current assets			4,327,767		2,201,230
Total assets less current liabilities			4,572,590		2,487,711
Provisions for liabilities	11		(121,655)		(121,590)
Net assets			4,450,935		2,366,121
Capital and reserves					
Called up share capital	14		393,506		393,506
Foreign currency translation reserve	15		(407,663)		(407,663)
Capital contribution reserve	15		5,002,522		4,223,027
Profit and loss account	15		(537,430)		(1,842,749)
Shareholders funds			4,450,935		2,366,121

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorized for issue on 24/09/ 2019, and are signed on behalf of the board by:

ToniAnn Sanzone

ToniAnn Sanzone
Director

Company registration number: 04244798

The notes on pages 8 to 19 form part of these financial statements.

1. Statement of compliance

These financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable to UK and Republic of Ireland" ("FRS102") and the requirements of Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS102 have been applied other then where additional disclosure is required to show true and fair view.

The company is a private company limited by shares incorporated in England & Wales. The address of the registered office is The Broadgate Tower Third Floor 20 Primrose Street London EC2A 2RS.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.
The financial statements are prepared in US Dollars (USD), which is the functional currency of the entity, and rounded to the nearest US Dollar (USD).

Going concern

The directors consider the going concern basis of accounting to be appropriate, given the continued support of the parent company, W. P. Carey Inc., which funds all costs incurred by the company, and therefore there is no risk of the company defaulting on its obligations. The parent Company has indicated its willingness to provide support for a period of at least twelve months from the date these financial statements are signed.

Restatement: Changes in accounting policies

The financial statements are presented in US dollar (USD), which is the functional currency of the company from 1 January 2018. The change was made to reflect that USD has become the predominant currency in the company, counting for a significant part of the company's cash flow, cash flow management and financing. The change has been implemented with prospective effect. The change of presentation currency is applied retrospectively for comparative figures for 2017 and 2018. Currency translation effects for the comparative figures from functional currency to presentation currency GBP in 2017 and 2018 are booked as translation differences towards equity. Comparison figures in the statement of profit and loss and statement of changes in equity have been re-presented to reflect the currency rates of transactions in foreign currencies at the date of the transactions.

Turnover

W. P. Carey & Co. Limited earns an advisory service fee of 2-4.5% of the combined acquisition costs for acquisitions where the work is performed in the United Kingdom. The fee income is recognised on an accruals basis when the right to consideration is obtained through performance of services.

Taxation
The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities,

and

- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Foreign currencies
Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

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

Tangible assets
Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation
Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment	-	straight line over 3 years
Long leasehold property	-	straight line of the life of the lease

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments
A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Equity instruments are measured at the fair value of the cash or other resources receivable net of any transaction costs of issuing the equity instruments.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Financial instruments that are treated as a financial liability, have an obligation to deliver another financial asset to another entity.

Financial liabilities are classified at amortised cost and are initially measured at fair value minus any transaction costs.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on a trade date when the company becomes party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are derecognised on the trade date when the company is no longer a party to the contractual provisions of the instrument.

Cash and cash equivalents include cash at bank and in hand.

Defined contribution plans
Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Employee benefits - share based payments

Equity-settled share-based payments are issued to certain employees. Equity-settled share-based payments are measured at fair value at date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. The fair value for RSU's (restricted stock unit awards) are determined by W. P. Carey Inc.'s stock price on the date of grant.

50% of the PSU's (perfromance stock unit awards) are market based and the fair value is measured by use of the Monte Carlo simulation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of the non-transferability, exercise restrictions, and behavioral considerations. The remaining 50% of the PSU award is performance based and the fair value is determined by W. P. Carey Inc.'s stock price on date of grant. Share based payments are recognised and measured at fair value and in accordance with FRS 102 Section 26.

3. Turnover

Turnover arises from:

	2018 USD	2017 USD
Rendering of services	6,441,369	5,924,817
	6,441,369	5,924,817

4. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
Staff members	8	7
	8	7

Director's remuneration was USD nil (2017: USD nil) and no directors accrued pension benefits during the year (2017: USD nil).

5. Interest receivable/payable and similar charges

	2018	2017
	USD	USD
Other interest receivable and similar charges	17,932	-
Other interest payable and similar charges	(1,860)	(227)
	16,072	(227)

6. Tax on profit on ordinary activities

Major components of tax expense

	2018	2017
	USD	USD
Current tax:		
UK current tax expense	3,054	-
Deferred tax:		
Origination and reversal of timing differences	8,545	(62,698)
Tax credit on charge/(credit) on profit/(loss) on ordinary activities	11,599	(62,698)

7. Tangible assets

	Long leasehold property	Fixtures, fittings and equipment	**Total**
	USD	USD	USD
Cost			
At 1 January 2018	516,443	278,112	794,555
Charge for the year	3,288	8,144	11,432
At 31 December 2018	519,731	286,256	805,987
Depreciation			
At 1 January 2018	253,360	254,560	507,920
Charge for the year	41,670	11,574	53,244
At 31 December 2018	295,030	266,134	561,164
Carrying amount			
At 31 December 2018	224,701	20,122	244,823
At 31 December 2017	262,941	23,540	286,481

8. Debtors

	2018	2017
	USD	USD
Amounts owed by group undertakings	7,555,894	6,735,243
Prepayments and accrued income	377,852	180,657
VAT receivable	135,795	86,859
Other debtors	-	172,776
Deferred tax (note 10)	66,457	74,963
	8,135,998	7,250,498

The amounts owed by group undertakings are interest-free, unsecured and repayable on demand

9. Creditors: amounts falling due within one year

	2018	2017
	USD	USD
Trade creditors	68,981	72,346
Amounts owed to group undertakings	3,195,622	2,797,208
Accruals and deferred income	1,880,271	2,701,923
Corporation tax	3,054	-
Other creditors	29,779	26,794
	5,177,707	5,598,271

The amounts owed to group undertakings are interest-free, unsecured and repayable on demand

10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	USD	USD
Included in debtors (note 8)	(66,457)	(74,963)

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	USD	USD
Short term timing differences	(56,425)	(68,697)
Accelerated capital allowances	(10,032)	(6,266)
	(66,457)	(74,963)

11. Provisions

	Other provisions	Total
	USD	USD
At 1 January 2018	121,590	121,590
Revaluation	65	65
At 31 December 2018	121,655	121,655

Other provisions relate to a dilapidation reserve for the premises which is expected to be utilised in October 2021.

12. Employee benefits

Defined contribution plans

The amount recognised in profit or loss in relation to defined contribution plans was USD 113,223 (2017: USD 102,980). No balances were outstanding at year end (2017: USD nil)

13. Share-based payments

Equity-settled share-based payments

At 31 December 2018 the ultimate parent, W. P. Carey Inc., maintained several stock-based compensation plans as described below. The total compensation expense (net of forfeitures) for RSUs/PSUs issued from these plans was USD 778,362 (2017: USD 590,118).

2017 Share Incentive Plan

In June 2017, W. P. Carey Inc. shareholders approved the 2017 Share Incentive Plan, which replaced its predecessor plans for employees, the 2009 Share Incentive Plan, and for non-employee directors, the 2009 Non-Employee Directors' Incentive Plan. No further awards will be granted under those predecessor plans, which are more fully described in W. P. Carey Inc.'s Proxy Statements, as filed with the US Securities and Exchange Commission. The 2017 Share Incentive Plan authorizes the issuance of up to 4,000,000 shares of "W. P. Carey Inc." common stock, reduced by the number of shares (279,728) that were subject to awards granted under the 2009 Share Incentive Plan and the 2009 Non-Employee Directors' Incentive Plan after December 31, 2016 and before the effective date of the 2017 Share Incentive Plan, which was June 15, 2017. The 2017 Share Incentive Plan provides for the grant of various stock- and cash-based awards, including (i) share options, (ii) RSUs, (iii) PSUs, (iv) Restricted stock awards and (v) dividend equivalent rights. At December 31, 2018, there were 3,481,206 shares available for issuance under the 2017 Share Incentive Plan.

2018 Incentive Plan

Fiscal Year	RSUs Awarded	PSUs Awarded
2018	6,801	3,412
2017	9,745	2,499
2016	9,414	4,000

The RSUs generally vest over three years. Vesting and payment of the PSUs is conditional on certain company and market performance goals being met during the relevant three-year performance period. The ultimate number of PSUs to be vested will depend on the extent to which the performance goals are met and can range from zero to three times the original awards. At the end of each reporting period, W. P. Carey Inc. evaluates the ultimate number of PSUs expected to vest based upon the extent to which W. P. Carey Inc. has met and expects to meet the performance goals and, where appropriate, revises the estimate and associated expense. Upon vesting, the RSUs and PSUs may be converted into shares of W. P. Carey Inc. common stock. Both the RSUs and PSUs carry dividend equivalent rights. The 2017 Share Incentive plan now pays dividend equivalent rights on vested RSUs only, whereas dividend equivalent rights on PSUs accrue at the end of the performance period and may be converted into additional shares of common stock at the conclusion of the performance period (to the extent that the PSUs vest). Dividend equivalents rights are accounted for as an adjustment to W. P. Carey Inc. equity.

The share based payment charge for the year was USD 779,496 (2017: USD 590,118). The grant date fair value of RSUs are based on the W. P. Carey Inc. stock price on the date of grant. The grant date fair value of the PSU's were determined using a combination of the Monte Carlo model for the total shareholder return (TSR) metrics and share prices and expected adjusted funds from operations (AFFO) growth for the AFFO metrics.

Details of the nonvested restricted stock RSU award activity for 2018 and 2017 at weighted average grant date fair value:

	2018 No.	USD	2017 No.	USD
Outstanding at 1 January 2018	14,812	64.52	9,556	67.08
Granted during the year	6,801	64.38	9,745	66.69
Forfeited during the year	(155)	64.38	-	-
Vested/exercised during the year	(6,436)	64.68	(4,489)	61.95
Outstanding at 31 December 2018	15,022	64.39	14,812	64.52

Details of the nonvested PSU awards at 31 December 2018 and 31 December 2017 at weighted average grant date fair value:

	2018 No.	USD	2017 No.	USD
Outstanding at 1 January 2018	5,407	84.12	3,000	90.71
Granted during the year	3,412	75.81	2,499	75.38
Forfeited during the year	(110)	75.81	-	-
	(9,000)	82.62	-	-
Change in PSU payout	8,144	78.21	(92)	61.62
Outstanding at 31 December 2018	7,853	73.13	5,407	84.12

Employee Share Purchase Plan

W. P. Carey Inc. sponsors an Employee Share Purchase Plan (ESPP), pursuant to which eligible employees may contribute up to 10% of compensation, subject to certain limits, to purchase common stock in W. P. Carey Inc. Employees can purchase stock semi-annually at a price equal to 90% of the fair market value at certain plan defined dates.

Stock Options

Options granted under the 1997 Share Incentive Plan (a predecessor plan to the 2019 Share Incentive Plan) generally have a ten-year term and generally vest in four equal annual instalments. W. P. Carey Inc. has not issued option awards since 2007. At 31 December 2018, all of the options were fully vested and exercised.

Option and warrant activity for the ended 31 December 2018 and 31 December 2017 at weighted average exercise price were as follows:

The option and warrants at the end of the year have a weighted average remaining contractual life of zero as all options are fully vested and exercised.

The total expense recognised in profit or loss for the year is as follows:

	2018	2017
	USD	USD
Equity-settled share-based payments	779,496	590,118

14. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	**USD**	No.	USD
Ordinary shares of £ 1.00 each	225,000	393,506	225,000	393,506

15. Reserves

Profit and loss account

This records accumulated profits and losses including taxation, net of distributions to shareholders.

Capital contribution reserve

Capital contribution reserve represents the cumulative share based payment charges recognised on share incentive schemes operated by the parent undertaking under the benefit of employees of the Company.

Foreign currency translation reserve

Foreign currency translation is the process of expressing a foreign entity's functional currency financial statements in the reporting currency. Translation adjustments are included in the foreign curreny translation reserve account, which cannot be freely distributable.

16. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	USD	USD
Not later than 1 year	360,303	380,494
Later than 1 year and not later than 5 years	648,932	1,065,794
	1,009,235	1,446,288

17. Related party transactions

The company has taken advantage of the exemption under FRS 102 Section 33 related party disclosures not to disclose transactions with wholly owned group companies.

18. Controlling party

The immediate parent undertaking is W. P. Carey International LLC, a limited liability company registered with the state of Delaware, USA.

The ultimate parent undertaking and controlling party is W. P. Carey Inc., a company incorporated in the state of Maryland, USA, which is the largest group and smallest group to consolidate these financial statements. Copies of the financial statements of W. P. Carey Inc. are available at the following address:

W. P. Carey Inc.
50 Rockefeller Plaza
New York NY 10020
USA