

Company Registration No. 04244798 (England and Wales)

**W.P. CAREY & CO. LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020**

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## **W.P. CAREY & CO. LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Company Registration No. 04244798

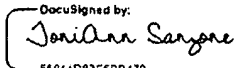
**W.P. CAREY & CO. LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	2020 \$	\$	2019 \$	\$
<b>Non-current assets</b>					
Property, plant and equipment	4	232,727		209,274	
<b>Current assets</b>					
Trade and other receivables	5	3,258,738		6,293,730	
Cash and cash equivalents		2,818,114		3,928,521	
		6,076,852		10,222,251	
<b>Current liabilities</b>	6	(3,062,496)		(9,473,573)	
<b>Net current assets</b>		3,014,356		748,678	
<b>Total assets less current liabilities</b>		3,247,083		957,952	
<b>Provisions for liabilities</b>	7	(148,704)		(121,655)	
<b>Net assets</b>		3,098,379		836,297	
<b>Equity</b>					
Called up share capital	9	393,506		393,506	
Capital contribution reserve	10	6,745,568		4,875,518	
Foreign currency translation reserve	10	(407,663)		(407,663)	
Retained deficit	10	(3,633,032)		(4,025,064)	
<b>Total equity</b>		3,098,379		836,297	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on ..... November 2, 2021  
and are signed on its behalf by:

DocuSigned by:  
  
 .....55834283E5B8470.....  
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 Director

## **W.P. CAREY & CO. LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

##### **Company information**

W.P. Carey & Co. Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The Broadgate Tower, Third Floor, 20 Primrose Street, London EC2A 2RS. The company's principal activities are disclosed in the directors' report.

##### **Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006, as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in US dollars, which is the functional and presentational currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **Going concern**

In March 2020, the World Health Organization classified the transmission of the new coronavirus, responsible for COVID-19, as a pandemic. The speed with which the transmission emerged, caused a public health crisis, with a high macroeconomic impact at a global level. The impact of the pandemic on the activity of W.P. Carey & Co Ltd was very limited, with no or only slight interruptions at the operational level.

At the time of approving the financial statements, the directors, with the support of the parent company, have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months. The parent company has agreed to support the company for a period of 12 months post sign off of the financial statements and has the balance sheet and cash resources in place to provide the support

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements do not include any adjustments that would result in the going concern basis of preparation not being appropriate.

##### **Revenue**

In prior years, revenue was earned as set percentage of deal acquisitions and this was deferred and recognised in revenue over a three year period. In the year ended 31 December 2020, no new deal based revenue has been earned although previously deferred amounts continue to be released to revenue. The remaining part of the 2020 revenue originates from reimbursable costs incurred on behalf of other funds. In addition to the last remaining deferred revenue being recognised from past deal acquisitions and the reimbursable costs being recovered, the company's remaining non-reimbursable operating costs will be funded through a compensation agreement or equity contributions.

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## W.P. CAREY & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### **Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over the life of the lease
Fixtures and fittings	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### **Impairment of non-current assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with bank and other short-term liquid investments with original maturities of three months or less.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

## W.P. CAREY & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

##### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

## W.P. CAREY & CO. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **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 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 RSUs (Restricted Stock Unit awards) are determined by W. P. Carey Inc.'s stock price on the date of the grant.

50% of the PSUs (Performance 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 behavioural 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.

##### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

**W.P. CAREY & CO. LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	8	8

Director's remuneration was \$Nil (2019: \$Nil) and no directors accrued pension benefits during the year (2019: none).

**3 Auditor's remuneration**

	2020 \$	2019 \$
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	37,000	33,200

**4 Property, plant and equipment**

	Leasehold land and buildings \$	Fixtures and fittings \$	Total \$
<b>Cost</b>			
At 1 January 2020	519,731	301,186	820,917
Additions	46,632	27,965	74,597
Other changes	-	33,889	33,889
At 31 December 2020	566,363	363,040	929,403
<b>Depreciation and impairment</b>			
At 1 January 2020	333,088	278,555	611,643
Depreciation charged in the year	37,853	13,291	51,144
Other changes	-	33,889	33,889
At 31 December 2020	370,941	325,735	696,676
<b>Carrying amount</b>			
At 31 December 2020	195,422	37,305	232,727
At 31 December 2019	186,643	22,631	209,274



**W.P. CAREY & CO. LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****5 Trade and other receivables**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	236,924	-
Amounts owed by group undertakings	2,678,028	5,685,125
Other receivables	343,786	433,370
	<u>3,258,738</u>	<u>6,118,495</u>
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	-	175,235
	<u>-</u>	<u>175,235</u>
<b>Total debtors</b>	<u>3,258,738</u>	<u>6,293,730</u>

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

**6 Current liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	308,637	49,784
Amounts owed to group undertakings	1,839,879	8,178,524
Corporation tax	-	13,573
Other payables	913,980	1,231,692
	<u>3,062,496</u>	<u>9,473,573</u>

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

**7 Provisions for liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Dilapidation reserve	134,346	121,655
Deferred tax liabilities	14,358	-
	<u>148,704</u>	<u>121,655</u>

**W.P. CAREY & CO. LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****7 Provisions for liabilities (Continued)**

Movements on provisions apart from deferred tax liabilities:

	<b>Dilapidation reserve \$</b>
At 1 January 2020	121,655
Additional provisions in the year	12,691
At 31 December 2020	<u>134,346</u>

The provision relates to a dilapidation reserve for the premises which is expected to be utilised in October 2021.

**8 Retirement benefit schemes**

	<b>2020 \$</b>	<b>2019 \$</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>107,215</u>	<u>115,403</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no amounts outstanding at the year end (2019: \$Nil).

**9 Called up share capital**

	<b>2020 \$</b>	<b>2019 \$</b>
<b>Ordinary share capital Issued and fully paid</b>		
225,000 Ordinary shares of £1 each	<u>393,506</u>	<u>393,506</u>

**10 Reserves****Retained deficit**

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 for the benefit of employees of the company. It also includes contributions from the parent company to support the company and allow it to remain operational.

**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 currency translation reserve account, which cannot be freely distributed.

**W.P. CAREY & CO. LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020****11 Operating lease commitments****Lessee**

At the reporting end date, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	\$	\$
Within one year	356,371	430,805
Between one and five years	-	345,825
	<u>356,371</u>	<u>776,630</u>

**12 Related party transactions**

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

**13 Parent company**

The immediate parent undertaking is W. P. Carey International LLC, a limited liability company registered in 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 parent of both the largest and smallest group to consolidate these financial statements. Copies of the financial statements of W. P. Carey Inc. are available from 50 Rockefeller Plaza, New York, NY 10020, USA.

**14 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

*The auditor's report was unqualified.*

The senior statutory auditor was Irene Hambleton BAcc CA.

The auditor was RSM UK Audit LLP.