

Registered number
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W P Carey & Co Limited

Report and Accounts

31 December 2007

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W. P. Carey & Co. Limited
Report and accounts
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W P. Carey & Co. Limited
Directors' Report

The directors present their report and accounts for the year ended 31 December 2007

Principal activity

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

Business review and future prospects

The level of business during the year was affected by changes in staffing, leading to a lower level of service fee charged to the parent company. As a result, profit before tax decreased from £103,989 to £37,407. The Directors expect that prospects for an increase in business activity for the coming year are favorable, consistent with the business of the parent company.

Results and dividends

The profit for the year, after taxation, amounted to £23,570. The directors do not recommend the payment of a dividend. The profit has been transferred to reserves.

Principal risks and uncertainties

The company provides transaction support services to its parent in relation to sale-leaseback transactions across Europe. The business is dependent on availability of transactions in the marketplace and access to debt financing. Turnover is based on a profit margin relative to business costs, and may increase in connection with expected growth in business activity.

Directors

The following directors served during the year

Jan Karst
Edward Lapuma

As at 31 December 2007, no Director held an interest in the shares of the Company.

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution to reappoint RSM Bentley Jennison as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on *October 23, 2008*

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). The accounts are required by law to 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 proper accounting records that 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 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.

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 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts.

RSM Bentley Jennison

RSM Bentley Jennison
Registered auditors

London

23 October 2008

W. P. Carey & Co Limited
Profit and Loss Account
for the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover	1	571,775	1,589,548
Administrative expenses		(545,815)	(1,496,900)
Operating profit	2	<u>25,960</u>	<u>92,648</u>
Interest receivable		11,447	11,341
Profit on ordinary activities before taxation		<u>37,407</u>	<u>103,989</u>
Tax on profit on ordinary activities	5	(13,837)	(34,475)
Profit for the financial year		<u>23,570</u>	<u>69,514</u>

Continuing operations

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


Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years

W. P. Carey & Co Limited
Balance Sheet
as at 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	6	38,015	76,778
Current assets			
Debtors	7	75,199	88,073
Debtors falling due after more than one year	8	72,358	95,358
Cash at bank and in hand		425,796	312,151
		<u>573,353</u>	<u>495,582</u>
Creditors: amounts falling due within one year	9	(147,124)	(104,340)
Net current assets		<u>426,229</u>	<u>391,242</u>
Total assets less current liabilities		<u>464,244</u>	<u>468,020</u>
Creditors amounts falling due after more than one year	10	(17,250)	(40,250)
Provisions for liabilities			
Deferred taxation	11	7,616	3,270
Net assets		<u>454,610</u>	<u>431,040</u>
Capital and reserves			
Called up share capital	12	225,000	225,000
Profit and loss account	13	229,610	206,040
Shareholders' funds	14	<u>454,610</u>	<u>431,040</u>

The financial Statements on pages 6 to 11 were approved by the Board of Directors and signed on its behalf by



Jan Karst
Director

Approved by the board on *October 23, 2008*

W. P. Carey & Co Limited
Notes to the Accounts
for the year ended 31 December 2007

1 Accounting policies

Accounting convention

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

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 consists of a service fee charged to W P Carey & Co LLC in respect of advisory services and is recognised on an accruals basis. Turnover represents 107% of total business costs and takes place wholly within the United Kingdom

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

Telephone equipment	over 5 years
Leasehold improvements	over the lease term
Plant and machinery	over 3 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

Leasing and hire purchase commitments

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

2 Operating profit	2007	2006
	£	£
This is stated after charging		
Depreciation of owned fixed assets	40,940	39,503
Operating lease rentals - land buildings	93,800	93,800
Auditors' remuneration for audit services	12,500	17,500

W. P. Carey & Co. Limited
Notes to the Accounts
for the year ended 31 December 2007

3 Directors' emoluments	2007	2006
	£	£
Emoluments	-	592,817
Compensation for loss of office	-	94,745
Company contributions to personal pension schemes	-	22,225
	<u>-</u>	<u>709,787</u>

In 2007 the directors' emoluments have been met by the ultimate parent company

4 Staff costs	2007	2006
	£	£
Directors emoluments (See Note 3)	-	709,787
Wages and salaries	183,608	218,788
Social security costs	20,521	104,929
Other pension costs	15,111	32,461
	<u>219,240</u>	<u>1,065,965</u>

Average number of employees during the year	Number	Number
Administration	<u>3</u>	<u>4</u>

5 Taxation	2007	2006
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	18,183	37,768
Deferred tax		
Origination and reversal of timing differences	(4,346)	(3,293)
	<u>13,837</u>	<u>34,475</u>
Tax on profit on ordinary activities		

W P Carey & Co. Limited
Notes to the Accounts
for the year ended 31 December 2007

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

	2007	2006
	£	£
Profit on ordinary activities before tax	<u>37,407</u>	<u>103,989</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	11,222	31,197
Effects of		
Expenses not deductible for tax purposes	3,080	1,706
Capital allowances for period in excess of depreciation	6,879	4,865
Marginal tax relief	(2,998)	-
Current tax charge for period	<u>18,183</u>	<u>37,768</u>

Factors that may affect future tax charges

6 Tangible fixed assets

	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost				
At 1 January 2007	25,071	27,826	93,839	146,736
Additions	-	-	2,177	2,177
At 31 December 2007	<u>25,071</u>	<u>27,826</u>	<u>96,016</u>	<u>148,913</u>
Depreciation				
At 1 January 2007	11,282	10,011	48,665	69,958
Charge for the year	5,014	6,630	29,296	40,940
At 31 December 2007	<u>16,296</u>	<u>16,641</u>	<u>77,961</u>	<u>110,898</u>
Net book value				
At 31 December 2007	<u>8,775</u>	<u>11,185</u>	<u>18,055</u>	<u>38,015</u>
At 31 December 2006	<u>13,789</u>	<u>17,815</u>	<u>45,174</u>	<u>76,778</u>

W P Carey & Co Limited
Notes to the Accounts
for the year ended 31 December 2007

7 Debtors	2007	2006
	£	£
Other debtors	23,000	34,500
Prepayments and accrued income	38,687	39,339
VAT recoverable	13,512	14,234
	<u>75,199</u>	<u>88,073</u>

There is a legal charge over a rent deposit of £55,107, which is included in Other debtors

8 Debtors: amounts falling due after one year	2007	2006
	£	£
Debtors falling due after more than one year	72,358	95,358
	<u>72,358</u>	<u>95,358</u>

9 Creditors amounts falling due within one year	2007	2006
	£	£
Trade creditors	10,537	2,490
Amounts owed to group undertakings	56,932	11,005
Corporation tax	18,183	37,768
Other taxes and social security costs	6,087	7,051
Accruals and deferred income	55,385	46,026
	<u>147,124</u>	<u>104,340</u>

10 Creditors amounts falling due after one year	2007	2006
	£	£
Accruals and deferred income	17,250	40,250

11 Deferred taxation	2007	2006
	£	£
Accelerated capital allowances	(7,616)	(3,270)
Undiscounted provision for deferred tax	<u>(7,616)</u>	<u>(3,270)</u>

	2007	2006
	£	£
At 1 January	(3,270)	23
Deferred tax charge in profit and loss account	(4,346)	(3,293)
At 31 December	<u>(7,616)</u>	<u>(3,270)</u>

W. P. Carey & Co. Limited
Notes to the Accounts
for the year ended 31 December 2007

12 Share capital			2007 £	2006 £
Authorised				
Ordinary shares of £1 each			<u>500,000</u>	<u>500,000</u>
	2007 No	2006 No	2007 £	2006 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	225,000	225,000	<u>225,000</u>	<u>225,000</u>

13 Profit and loss account		2007 £	2006 £
At 1 January		206,040	136,526
Profit for the financial year		23,570	69,514
At 31 December		<u>229,610</u>	<u>206,040</u>

14 Reconciliation of movement in shareholders' funds		2007 £	2006 £
At 1 January		431,040	361,526
Profit for the financial year		23,570	69,514
At 31 December		<u>454,610</u>	<u>431,040</u>

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 2007 £	Land and buildings 2006 £	Other 2007 £	Other 2006 £
Operating leases which expire within two to five years	<u>93,800</u>	<u>93,800</u>	<u>-</u>	<u>-</u>

16 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

W. P. Carey & Co Limited
Notes to the Accounts
for the year ended 31 December 2007

17 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