Registered number
04244798

W P Carey & Co Limited

Report and Accounts

31 December 2010

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 2010

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 Corporate Property Associate (CPA) series of US Real Estate Investment Trusts (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 185% growth in turnover (2009 53%) The impact on turnover and the profitability 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

Key Performance Indicators

	2010	2009
Turnover	£4,186,319	£1,475,148
Operating profit margin	47%	21%
Profit before tax	£1,990,335	£304,871

At the end of the period net assets totalled £2,289,334 (2009 £757,112)

Financial risk management objectives and policies

Due to the nature of the company's operations, its financial risks are restricted as regards credit risk, liquidity risk and interest rate cash flow risk

Credit risk

The principal activity of the company is to act as an advisor under a service agreement with W P Carey & Co LLC and consequently the credit risk is minimal

Liquidity risk

The company obtains funding from W P Carey & Co LLC in relation to its costs under the service agreement

Interest rate risk

The company does not hold any interest bearing facilities

Results and dividends

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

The directors do not recommend a dividend for 2010

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

Directors
The following persons served as directors during the year

Jan Karst	
Henry Cabot Lodge III	(Appointed 28 July 2010)
Trevor Bond	(Appointed 29 October 2010)
Edward Lapuma	(Resigned 14 June 2010)

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

Auditor
RSM Tenon Audit Ltd are deemed to be re-appointed under section 487(2) of the Companies Act 2006

This report was approved by the board on 9/26/11 and signed on its behalf

Jan Karst
Director

Jan Karst

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 2010 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 Chapter 3 of section 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 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 In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2010 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 Ltd

David Talbot (Senior Statutory Auditor)
for and on behalf of RSM Tenon Audit Ltd
Accountants and Statutory Auditors
29/5/11

66 Chiltern Street
London
W1U 4JT

W. P Carey & Co. Limited
Profit and Loss Account
for the year ended 31 December 2010

	Notes	2010	2009
		£	£
Turnover	2	4,186,319	1,475,148
Administrative expenses		(2,195,984)	(1,172,666)
Operating profit	3	1,990,335	302,482
Interest receivable		-	2,389
Profit on ordinary activities before taxation		1,990,335	304,871
Tax on profit on ordinary activities	6	(564,631)	(85,810)
Profit for the financial year		1,425,704	219,061

All activities arise from continuing operations

Statement of total recognised gains and losses
The company has no recognised gains or losses other than the profit for the above financial period

W. P. Carey & Co. Limited
Balance Sheet **Registered number 04244798**
as at 31 December 2010

	Notes		2010		2009
			£		£
Fixed assets					
Tangible assets	7		2,392		3,871
Current assets					
Debtors	8	2,333,184		752,242	
Cash at bank and in hand		746,619		220,822	
		3,079,803		973,064	
Creditors amounts falling due within one year	9	(792,861)		(219,823)	
Net current assets			2,286,942		753,241
Total assets less current liabilities			2,289,334		757,112
Net assets			2,289,334		757,112
Capital and reserves					
Called up share capital	11		225,000		225,000
Other reserve	12		321,745		215,227
Profit and loss account	13		1,742,589		316,885
Shareholders' funds	14		2,289,334		757,112

Jan Karst
Director
Approved by the board on

Jan Karst
9/26/11

W P Carey & Co Limited
Notes to the Accounts
for the year ended 31 December 2010

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
Office Equipment	5 years

Deferred taxation
Deferred taxation is provided for in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the balance sheet date which will result in an obligation to pay more tax, or a right to pay less tax

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 values are derived from the market value of shares of the parent company at the grant date

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

2 Turnover

Turnover consists of a service fee charged to W P Carey International LLC in respect of advisory services It is based on a multiple of all operational costs, excluding bonuses and share based compensation payments Turnover also include a 2% allocation of acquisition fee received by W P Carey International LLC The 2% fee income is recognized upon receipt of acquisition fee invoice after actual fee is received by W P Carey International and calculation has been finalized on the acquisition All turnover is attributable to work in the United Kingdom and is paid directly by W P Carey International LLC

3 Operating profit

	2010	2009
	£	£
This is stated after charging		
Depreciation of owned fixed assets	2,664	13,836
Directors remuneration	345,163	-
Operating lease rentals - land buildings	86,693	94,224
Auditors' remuneration for audit services	12,500	12,500

4 Directors' remuneration

	2010 £	2009 £
Emoluments	345,163	
Accrued retirement benefits from defined contribution pension schemes	5,000	
	350,163	

Remuneration of the highest paid director

	2010 £	2009 £
Emoluments	345,163	
Accrued retirement benefits from defined contribution pension schemes	5,000	
	350,163	-

Number of directors in company pension schemes	**2010 Number**	**2009 Number**
Defined contribution schemes	1	-

5 Staff costs

	2010 £	2009 £
Wages and salaries	1,120,282	434,481
Social security costs	148,648	86,025
Other pension costs	28,510	37,595
Cost of employee share schemes (see note 16)	106,518	150,753
	1,403,958	708,854

Average number of employees during the year	**Number**	**Number**
Administration	5	4

6 Taxation

	2010 £	2009 £
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	563,139	85,730
	563,139	85,730
Deferred tax		
Current year	1,492	80
	1,492	80
Tax on profit on ordinary activities	564,631	85 810

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

	2010 £	2009 £
Profit on ordinary activities before tax	1,990,335	304,871
Standard rate of corporation tax in the UK	28%	28%

6 Taxation (continued)

	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	557,294	85,364
Effects of		
Expenses not deductible for tax purposes	8,083	(1,125)
Capital allowances for period in excess of depreciation	(1,906)	214
Depreciation on non-qualifying asset leasehold improvement		1,277
Annual investment allowance	(332)	-
Current tax charge for period	563,139	85,730

7 Tangible fixed assets

	Short leasehold land and buildings £	Office Equipment £	Total £
Cost			
At 1 January 2010	27,826	127,895	155,721
Additions		1,185	1,185
At 31 December 2010	27,826	129,080	156,906
Depreciation			
At 1 January 2010	27,826	124,024	151,850
Charge for the year		2,664	2,664
At 31 December 2010	27 826	126,688	154,514
Net book value			
At 31 December 2010	-	2,392	2,392
At 31 December 2009	-	3,871	3,871

8 Debtors

	2010 £	2009 £
Amounts owed by parent undertakings and undertakings in which the company has a participating interest	2,219,200	692,181
Other debtors	26,250	-
Deferred tax asset	6,956	8,448
Prepayments and accrued income	61,132	38,700
Recoverable VAT	19,646	12,913
	2,333,184	752,242

9 Creditors amounts falling due within one year

	2010 £	2009 £
Trade creditors	22,764	567
Corporation tax	543,613	66,205
Other taxes and social security costs	114,049	57,089
Accruals and deferred income	112,435	95,962
	792,861	219,823

10 Deferred taxation

	2010 £	2009 £
At 1 January	(8,448)	(8,528)
Deferred tax charge in profit and loss account	1,492	80
At 31 December	(6,956)	(8,448)

11 Share capital

	2010 No	2009 No	2010 £	2009 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	225,000	225,000	225,000	225,000

12 Other reserves

	2010 £	2009 £
As at 1 January	215,227	64,474
Credit to equity for equity-settled share based payments	106,518	150,753
At 31 December	321,745	215,227

Other reserves represent credits in respect of share based payments

13 Profit and loss account

	2010 £
At 1 January	316,885
Profit for the financial year	1,425,704
At 31 December	1 742,589

14 Reconciliation of movement in shareholders' funds

	2010 £	2009 £
Profit for the financial year	1,425,704	219,061
Credit to equity for equity-settled share based payments	106,518	150,753
Net addition (reduction) to shareholders funds	1,532,222	369,814
At 1 January	757,112	387,298
At 31 December	2,289,334	757 112

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 2010 £	Land and buildings 2009 £	Other 2010 £	Other 2009 £
Operating leases which expire between two and five years	80,000	80,000	-	-

16 Stock based compensation

At December 31, 2010, the Parent maintained several stock-based compensation plans as described below The total compensation expense (net of forfeitures) for these plans was £106,518 and £150,753 for the years ended December 31, 2010 and 2009, 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 instalments

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

16 Stock based compensation - Continued

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 totalling approximately £1,954,878 over the vesting period, of which £106,518 and £150,753 was recognised during 2010 and 2009, respectively Fair value was determined using the Monte Carlo simulation model The significant inputs in the model were risk free interest rate of 1 45% and volatility of 36 2%

2009 Share Incentive Plan

In June 2009, the parent company 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

Nonvested restricted stock and RSU awards activity for 2010 and 2009

	2010 Shares	2010 Weighted Average Grant Date Fair Value £	2009 Shares	2009 Weighted Average Grant Date Fair Value £
Nonvested Beginning of Year	5,667	18 12	34,500	13 86
Granted	3,500	18 43	12,500	14 79
Vested	(2,167)	18 52	(11,333)	13 79
Forfeited	-	-	(30,000)	13 58
Nonvested at End of Year	7,000	18 15	5,667	17 51

Nonvested PSU awards at December 31, 2010 and 2009 were as follows

	2010 Shares	2010 Weighted Average Grant Date Fair Value £	2009 Shares	2009 Weighted Average Grant Date Fair Value £
Nonvested Beginning of Year	4,167	12 87	12,500	16 53
Granted	3,500	21 09	12,500	16 36
Vested	(1,667)	14 36	(4,167)	16 53
Forfeited	-	-	(16,667)	15 81
Nonvested at End of Year	6,000	18 49	4,167	18 89

16 Stock based compensation - Continued

Option and warrant activity for year ended 31 December 2009 and 31 December 2010 was as follows

2009

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Outstanding at beginning of year	2,000	$ 29 93		
Granted	-	$ -		
Exercised	-	$ -		
Forfeited / Expired	-	$ -		
Outstanding at end of year	2,000	$ 29 93	1 6	£ 4,217 00
Exercisable at end of year	1,000	$ -		

2010

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Outstanding at beginning of year	2,000	$ 29 93		
Granted	-	$ -		
Exercised	-	$ -		
Forfeited / Expired	-	$ -		
Outstanding at end of year	2,000	$ 29 93	0 6	£ 4,217 00
Exercisable at end of year	500	$ -		

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 International 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 International LLC are available at the following address

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