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**CP Ships Services Inc.**

**Financial Statements**

**31 December 1997**

**Company No: FC020636**

**Branch No: BR004169**



## **CP Ships Services Inc.**

### **Financial statements for the period ended 31 December 1997**

#### **Activities**

The principal activity of the company is that of providing certain services to CP Ships Holdings Inc., a group company.

The company was incorporated in Canada on 20 February 1997. Its registered office is 1800 Bankers Hall East, 855 Second Street S.W. Calgary Alberta T2P 4Z5. The company is registered as having established a branch in England and Wales.

#### **Trading Result**

The loss for the period after taxation was US\$115,000. The company started operating in March 1997, therefore this result represents nine months results.

#### **Directors**

The directors are RK Gamey (Canadian), MA Grandin (Canadian), RB Hodgins (Canadian), RR Miles and IJ Webber. The secretary is GA Feigel (Canadian).

No director has any beneficial interest in the share capital of the company.

### **Notes to the financial statements - 31 December 1997**

#### **1. Accounting Policies**

The principal accounting policies of the company are as follows:-

##### **(a) Accounting Convention**

The accounts have been prepared under the historical cost convention and in accordance with applicable Canadian accounting standards.

##### **(b) Foreign Currency Translation**

Assets and liabilities denominated in foreign currencies are translated into sterling at year end rates. Income and expenditure billed and charged in foreign currencies is translated into sterling at the average monthly rates prevailing during the period.

##### **(c) Turnover**

Turnover comprises management fees receivable in respect of services rendered to group companies.

##### **(d) Tangible Fixed Assets**

Tangible fixed assets are stated at cost less depreciation and are fully depreciated on a straight line basis on cost over their useful lives.

#### **2. Ultimate Parent Undertaking**

The company's immediate parent undertaking is CP Ships Holdings Inc., a Canadian corporation. The company's ultimate parent undertaking and ultimate controlling party is Canadian Pacific Limited, a company incorporated in Canada. Copies of the group accounts of Canadian Pacific Limited are available from the Secretary of the company at 1800 Bankers Hall East, 855 Second Street S.W. Calgary, Alberta, Canada. T2P 4Z5.

# CP Ships Services Inc

## Balance Sheet


31 December 1997

(in thousands of United States dollars)

( Unaudited )

	1997
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	1,400
Accounts receivable	
Group Companies	<u>1,174</u>
	2,574
Capital assets	56
	<u>2,630</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts payable and accrued liabilities	
Group companies	2,672
Income tax payable	<u>73</u>
	2,745
<b>Shareholder's Equity</b>	
Retained deficit	<u>(115)</u>
	<u>(115)</u>
	<u>2,630</u>

IJ Webber



Director

29 November 2000.

**CP Ships Services Inc**  
**Statement of Income and Retained Earnings**  
**(in thousands of United States dollars)**  
**( Unaudited )**

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Period ended 31 December

**1997**

Revenues

Management fees	<u>1,566</u>
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Expenses

General and administrative	1,556
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Depreciation	<u>10</u>
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1,566

Income from operations	0
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Other income (expenses)

Currency exchange loss	<u>(42)</u>
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(42)

Loss before income taxes	(42)
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Income tax expense	<u>(73)</u>
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Net loss	(115)
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Retained earnings, beginning of period	0
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Retained deficit end of period	<u><u>(115)</u></u>
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# C P Ships Services Inc

## Cash Flow Statement

(in thousands of United States dollars)

( Unaudited )

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	Period ended 31 December
	1997
Operating Activities	
Net loss for the period	(115)
Depreciation and amortization	10
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Cash used by operations before changes in working capital	(105)
Movement in non-cash working capital balances relating to operations	1,571
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Cash from operations	1,466
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Investing Activities	
Additions to capital assets	(66)
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	(66)
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Cash Position	
Increase in cash and cash equivalents	1,400
Cash and cash equivalents at beginning of period	0
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Cash and cash equivalents at end of period	1,400
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