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CP Ships Services Inc.

Financial Statements

31 December 2003

Company No: FC020636

Branch No: BR004169



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CP Ships Services Inc

Balance Sheet

31 December 2003

(in thousands of United States dollars)

(Unaudited)

	2003	2002 Revised (note 2)
Assets		
Loans to affiliated companies due after one year	2,438	2,438
	<u>2,438</u>	<u>2,438</u>
Liabilities		
	<u>0</u>	<u>0</u>
	<u>2,438</u>	<u>2,438</u>
Shareholder's Equity		
Contributed surplus	3,000	3,000
FCT	(48)	(48)
Retained earnings (deficit)	(514)	(514)
	<u>2,438</u>	<u>2,438</u>

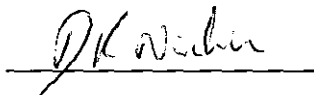
For the year ended 31st December 2003 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibility for:

- 1) ensuring the company keeps accounting records which comply with section 221; and
- 2) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

David Nicklin
Director



7th June 2004

CP Ships Services Inc.

Financial statements for the year ended 31 December 2003

Notes to the financial statements - 31 December 2003

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 US dollars at the year-end rates of exchange. Revenue and expense items denominated in foreign currencies are translated into US dollars 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. Comparative Figures

The 2002 financial statements have been revised following a re-examination of the transactions relating to the transfer of business to a fellow group company.

3. Ultimate Parent Undertaking

The company's ultimate parent undertaking and ultimate controlling party is CP Ships Limited, a company incorporated in Canada. Copies of the group accounts of CP Ships Limited are available from the Secretary of the company at 62-65 Trafalgar Square, London, WC2N 5DY.