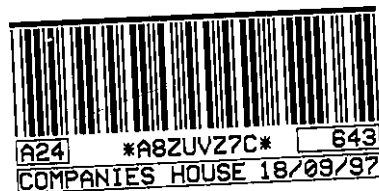


JOHN LELLIOTT LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER 1996

Registered Number: 2989801



JOHN LELLIOTT LIMITED

DIRECTORS' REPORT

The directors present their Annual Report and Accounts for the year ended 31st December 1996.

ACTIVITIES

The Company was incorporated on 22nd March 1995. The Company did not trade during the year. The Company is not expected to trade in the current year.

DIVIDENDS

The Directors do not recommend the payment of a dividend in 1996.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year ended 31st December 1996 together with their interests in the stock of The Peninsular and Oriental Steam Navigation Company, are as follows:

	Deferred Stockholding		Deferred Stockholding under Option	
	At 31st December 1996	At 1st January 1996	At 31st December 1996	At 1st January 1996
L. Chatfield	3,111	2,772	21,078	36,069
A. Ring	5,690	4,754	38,397	53,894

None of the directors had any interest in the shares of any other Group company.

By Order of the Board



P.R. CHADWICK
Secretary

JOHN LELLIOTT LIMITED**BALANCE SHEET AT 31ST DECEMBER 1996**

	Notes	1996
	-----	-----
		£
CURRENT ASSETS		
Amount due from immediate Holding Company		2
		=====
CAPITAL AND RESERVES		
Called up Share Capital	3	2
		=====

The company remained dormant (within the meaning of Section 252 of the Companies Act 1985) throughout the year ended 31st December 1996.

These Accounts were approved by the Board of Directors on 8 September 1997


A. RING
Director

The attached notes form part of these Accounts.

JOHN LELLIOTT LIMITED

NOTES TO THE ACCOUNTS

1. **BASIS OF ACCOUNTING**

The Accounts have been prepared under the historical cost convention.

2. **PROFIT AND LOSS ACCOUNT**

The company did not trade during the year and therefore no Profit and Loss Account has been prepared. The directors did not receive any remuneration during the year ended 31st December 1996 (1995 £Nil).

3. **SHARE CAPITAL**

Authorised Share Capital

The authorised share capital is £1,000 divided into 1000 Ordinary Shares of £1 each.

Allotted, called up and fully paid.	1996

	£
2 Ordinary Shares of £1 each	2

4. **ULTIMATE HOLDING COMPANY**

The company's ultimate holding company is The Peninsular and Oriental Steam Navigation Company which is incorporated in Great Britain.