

Mulliner House Dormant Company No.2 Limited

REGISTERED NUMBER : 1792800

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1999



REPORT OF THE DIRECTORS

The directors present their annual report and the accounts of the Company for the year ended 31 December 1999.

The Company did not trade during the year.

The directors during the year were:

R M Gradon
N J Monteith
M Owen

R M Gradon retires by rotation in accordance with the articles of association, and being eligible offers himself for re-election.

According to notifications received by the Company relating to the interests of the directors and their families in the share capital and debentures of group companies, there were the following interests in the stock of the ultimate holding company, The Peninsular and Oriental Steam Navigation Company:

	Deferred Stock		Deferred Stock under option			1998
	1999	1998	1999	Granted in year	Exercised in year	
N J Monteith	4,493	4,085	27,778	5,800	-	21,978
M Owen	17,303	16,545	11,442	3,800	-	7,642

In addition M Owen had an interest in £600 (1998 £600) 5.5% concessionary stock and £1 (1998 £nil) 6.75% convertible stock at 31 December 1999.

The interests of R M Gradon in shares and debentures of group companies and of awards under the P&O Long Term Incentive Plan are disclosed in the directors' report of the Company's ultimate holding company, The Peninsular and Oriental Steam Navigation Company.

79 Pall Mall
London SW1Y 5EJ
21 July 2000

On behalf of the Board



M OWEN
Director

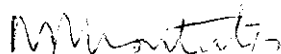
Mulliner House Dormant Company No.2 Limited

BALANCE SHEET AT 31 DECEMBER 1999

	31 Dec 1999 £'000	31 Dec 1998 £'000
CURRENT ASSETS		
Amount owed by fellow subsidiary	87	87
CREDITORS : amounts falling due after more than one year	Note 2 (223)	(223)
NET LIABILITIES	(136)	(136)
CAPITAL AND RESERVES		
Called up share capital	Note 3 10	10
Profit and loss account	(146)	(146)
Equity shareholders' funds	(136)	(136)

Within the meaning of Section 250 of the Companies Act 1985 the Company was dormant throughout the year.

The accounts were approved by the Board on 21 July 2000 and were signed on its behalf by N J Monteith.



N J MONTEITH
Director

Mulliner House Dormant Company No.2 Limited

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1999

1. These financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

2. CREDITORS

	1999 £'000	1998 £'000
Amounts falling due after more than one year: amounts due to the ultimate holding company	223	223
	<u>223</u>	<u>223</u>

3. Share capital, authorised, allotted, called up and fully paid at 31 December 1999 and 1998 was:

	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
Ordinary shares of £1 each	£25,000	£10,526
	<u>£25,000</u>	<u>£10,526</u>

4. ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is The Peninsular and Oriental Steam Navigation Company, incorporated by Royal Charter in Great Britain and therefore not registered. Its accounts are available to the public from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.