

Signed

PAYNE & MUNDAY LIMITED
(Registered No: 771717)

DIRECTORS' REPORT AND ACCOUNTS
30 JUNE 1996



✓ PAYNE & MUNDAY LIMITED
DIRECTORS' REPORT

Directors: M Copley
J S Ritchie
P Morris

Secretary: P Morris

Registered Office: Swan Court, Mansel Road, Wimbledon, London SW19 4AA

The directors present their report for the year ended 30 June 1996.

ACTIVITIES

The company was dormant (within the meaning of Section 252 of the Companies Act 1985) throughout the year.

DIRECTORS

The directors at 30 June 1996 were as listed above.

DIRECTORS' INTERESTS

The directors' interests in the share capital of the company or any group company requiring disclosure in these accounts are as follows:

	Domestic & General Group PLC Fully paid Ordinary Shares of 10p each		Domestic & General Group PLC Options over Ordinary Shares under Executive Share Option Scheme	
	<u>30.6.96</u>	<u>30.6.95</u>	<u>30.6.96</u>	<u>30.6.95</u>
P Morris	3,000	2,625	2,040	2,697

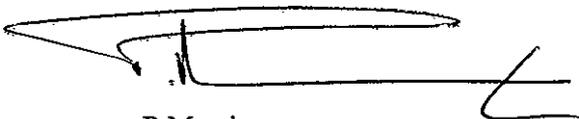
P Morris was granted options on 11 March 1996 over 588 shares in Domestic & General Group PLC at an exercise price of £16.45 per share. On 20 March 1996, P Morris exercised options over 818 shares and 427 shares, originally granted at £9.40 and £14.08 per share respectively.

The interests of M Copley and J S Ritchie in other group companies are disclosed in the accounts of the ultimate holding company, Domestic & General Group PLC.

CLOSE COMPANY

In the opinion of the directors the Company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

By Order of the Board



P Morris
Secretary

16 September 1996

PAYNE & MUNDAY LIMITED

BALANCE SHEET AT 30 JUNE 1996

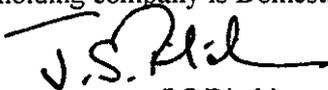
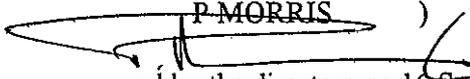
	<u>1996</u>	<u>1995</u>
	£	£
CURRENT ASSETS		
Amount due to a group company	<u>7,233</u>	<u>7,233</u>
CALLED UP SHARE CAPITAL		
Authorised, allotted, called up and fully paid 1,000 shares of £1.00 each	1,000	1,000
PROFIT AND LOSS ACCOUNT	6,233	6,233
	<u>7,233</u>	<u>7,233</u>

PROFIT AND LOSS ACCOUNT

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently during those years the Company made neither profit nor loss.

NOTES TO THE ACCOUNTS

1. The Company was a dormant company within the meaning of Section 252 of the Companies Act 1985 throughout the accounting year ending at the date of this balance sheet.
2. No emoluments were payable to any of the directors for the year ended 30 June 1996.
3. The ultimate holding company is Domestic & General Group PLC, which is incorporated in England.


J S Ritchie)
) Directors

P. MORRIS)

These accounts were approved by the directors on 16 September 1996.