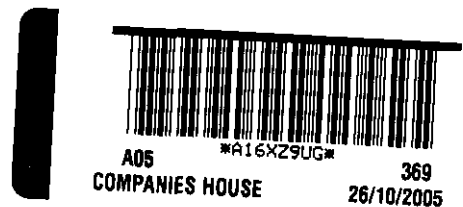


Fine Recordings Club Limited

Report and Accounts

53 weeks ended 30 April 2005



COMPANY INFORMATION

DIRECTORS

N I Bright
A J Giles
E Marriner
B F McLaughlin

SECRETARY

E Marriner

REGISTERED OFFICE

Shelley House
2-4 York Road
Maidenhead
Berkshire SL6 1SR

DIRECTORS' REPORT

The Directors submit their Report and the Accounts for the 53 weeks ended 30 April 2005. The comparative period is the 52 weeks ended 24 April 2004.

Principal activities, review and future developments

The Company did not trade during the period under review. The Company is not expected to trade in the foreseeable future.

Results and Dividends

The Company made neither a profit nor a loss therefore a profit and loss account is not presented. The Directors recommend that no dividend be paid for the period ended 30 April 2005 (2004: £Nil).

Directors and their interests

The names of the Directors as at the date of this Report are shown on page 1 of this Report.

None of the Directors had any interests in the shares of the Company. Director's interests in the Company's ultimate parent undertaking, HMV Group plc, are as follows:

	Ordinary Shares		Share Incentive Plan		Options over Ordinary Shares			
	At 30 April 2005	At 24 April 2004 ¹	At 30 April 2005	At 24 April 2004 ¹	At 30 April 2005	Granted during the year	Exercised during the year	At 24 April 2004 ¹
E Marriner	-	-	1,385	114	111,981	50,632	-	61,349

¹or date of appointment

Mr Bright, Mr Giles and Mr McLaughlin are Directors of HMV Group plc and their interests are disclosed in the financial statements of that company.

Auditors

Pursuant to section 379A of the Companies Act 1985, elective resolutions have been passed dispensing with the requirement to appoint auditors annually and to dispense with the requirement to hold annual general meetings. Therefore Ernst & Young LLP are deemed to continue as auditors of the Company.

By order of the board



E Marriner
Secretary

13/10/05

**STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE FINANCIAL STATEMENTS**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FINE RECORDINGS CLUB LIMITED**

We have audited the Company's financial statements for the 53 weeks ended 30 April 2005, which comprise the Balance Sheet, and the related notes 1 to 8. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards as set out in the Statement of Directors' Responsibilities in relation to the financial statements.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30 April 2005 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

24/10/05

Fine Recordings Club Limited
Company Number: 2368576

Balance sheet

As at:

		30 April 2005	24 April 2004
	Notes	£000	£000
Current assets			
Debtors	4	20,000	20,000
Net current assets		20,000	20,000
Total assets		20,000	20,000
Capital and reserves			
Called up share capital	5	20,000	20,000
Profit and loss account		-	-
Equity shareholders' funds	6	20,000	20,000

These financial statements were approved by the Board of Directors on 13 October 2005 and were signed on its behalf by:



N I Bright
Director

FINE RECORDINGS CLUB LIMITED

Company Number: 2368576

Notes to the financial statements

1. Accounting policies

Basis of preparation

The financial statements of the Company are made up to the Saturday on or immediately preceding 30 April each year. Consequently, the financial statements for the current period cover the 53 weeks ended 30 April 2005, whilst the comparative period covered the 52 weeks ended 24 April 2004. They are prepared under the historical cost convention and in accordance with applicable accounting standards and specifically in accordance with the following accounting policies.

The Company made neither a profit nor a loss therefore a profit and loss account is not presented.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling either at period end rates or, where there are related foreign exchange contracts, at contract rates. The resulting foreign exchange differences are dealt with in the determination of profit (loss) for the period.

Cash flow statement

Under Financial Reporting Standard ('FRS') 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and a consolidated cash flow statement is prepared by the ultimate parent undertaking.

Related party transactions

The Company has taken advantage of the exemption under FRS 8 - Related party disclosures not to disclose related party transactions between wholly owned Group undertakings.

2. Profit and loss account

Audit fees for the 53 weeks ended 30 April 2005 and the 52 weeks ended 24 April 2004, have been met by the immediate parent undertaking.

3. Directors' emoluments and staff costs

The Directors did not receive any emoluments for their services (2004: £Nil). The company has no employees.

4. Debtors

	2005	2004
	£000	£000
Amounts falling due within one year:		
Amounts owed by immediate parent undertaking	20,000	20,000

5. Share capital

	2005	2004
	No. & £000	No. & £000
Authorised:		
Ordinary shares of £1 each	20,000	20,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	20,000	20,000

FINE RECORDINGS CLUB LIMITED

Company Number: 2368576

Notes to the financial statements continued

6. Reconciliation of movements in shareholders' funds

	2005	2004
	£000	£000
Opening shareholders' funds	20,000	20,000
Retained for the period	-	-
Closing shareholders' funds	20,000	20,000

7. Contingent liabilities

As principal in an agency relationship with certain subsidiary and fellow subsidiary undertakings, the Company has agreed to indemnify each of these undertakings against liabilities that may arise under the agency agreements.

8. Ultimate parent undertaking

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the Company is a member is HMV Group plc, which is the ultimate parent undertaking registered in England and Wales. Copies of HMV Group plc's accounts can be obtained from Shelley House, 2-4 York Road, Maidenhead, Berkshire, SL6 1SR, England.