

Chester Asset Receivables
Dealings 2002-A plc
Annual report for the year ended
15 November 2007

Registered no 04358521

THURSDAY



A13 *AM00XZC4* 5
01/05/2008
COMPANIES HOUSE

Chester Asset Receivables Dealings 2002-A plc

Annual report for the year ended 15 November 2007

| | Pages |
|---------------------------------------------------|--------------|
| Directors, secretary and registered office | 1 |
| Directors' report | 2-3 |
| Independent auditors' report | 4-5 |
| Profit and loss account | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8-14 |

Chester Asset Receivables Dealings 2002-A plc

Directors, secretary and registered office

Directors

J West
Wilmington Trust SP Services (London) Limited
M McDermott

Secretary and registered office

J West
C/o Wilmington Trust SP Services (London) Limited
Tower 42
Level 11
25 Old Broad Street
London
EC2N 1HQ

Chester Asset Receivables Dealings 2002-A plc

Directors' report for the year ended 15 November 2007

The directors present their report and audited financial statements for the year ended 15 November 2007

Business review and principal activities

The company's principal activity is the provision of long term finance for a portfolio of credit card receivables originated by MBNA Europe Bank Limited

The company made a profit for the year after taxation of £15,441 (2006 £30,900) Dividends totalling £40,000 (2006 £50,000) were paid during the year

Future outlook

The directors remain confident that we will maintain our current level of performance in the future

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Financial risk management

Currency risk

The company has borrowed funds in foreign currency and has used these funds to invest in an equivalent amount of Loan notes in the same currency, issued by Deva One Limited, a related party, so as to limit the exposure to foreign exchange differences. It is the company's policy that no trading in financial instruments shall be undertaken

Interest rate risk

The company manages its interest rate risk by exactly matching the terms and rates of its assets and liabilities

Credit risk

The company's total credit risk at 15 November 2007 is £552,244,866 (2006 £523,779,797). This includes a significant concentration of credit risk with Deva One Limited of £552,244,866 (2006 £523,779,797). The company is structured in such a way that if it can not collect amounts receivable it is not obliged to settle its liabilities

Liquidity risk

Deva One Limited is obliged to pass sufficient net income to the company in order for it to meet the obligation of its outstanding loan notes and all of its on going cash requirements. The term of the related party loans and receivables is matched to the obligation to repay the Loan Notes at maturity thereby negating liquidity risk

Chester Asset Receivables Dealings 2002-A plc

Directors' report for the year ended 15 November 2007 (continued)

Directors and their interests

The movement in directors since 16 November 2006 are shown below

| Director | Date of appointment | Date of resignation |
|-------------|---------------------|---------------------|
| J Fairrie | | 20 July 2007 |
| R Baker | 26 July 2007 | 28 February 2008 |
| M McDermott | 28 February 2008 | |

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and the United Kingdom Generally Accepted Accounting Practice

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 and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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

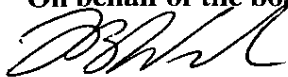
Each person who is a Director at the time of the approval of the financial statements confirms the following

- so far as the director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

PricewaterhouseCoopers LLP, having offered themselves for reappointment, shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985

On behalf of the board



J West

Director

23 April 2008

Chester Asset Receivables Dealings 2002-A plc

Independent Auditors' Report to the members of Chester Asset Receivables Dealings 2002-A plc

We have audited the financial statements of Chester Asset Receivables Dealings 2002-A plc for the year ended 15 November 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and 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 International Standards on Auditing (UK and Ireland) 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 and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments 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.

Chester Asset Receivables Dealings 2002-A plc

Independent Auditors' Report to the members of Chester Asset Receivables Dealings 2002-A plc (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 15 November 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Manchester

23 April 2008

Chester Asset Receivables Dealings 2002-A plc

Profit and loss account for the year ended 15 November 2007

| | Notes | 2007 £ | 2006 £ |
|------------------------------------------------------|-------|----------------------|----------------------|
| Operating expenses | | <u>(17,098)</u> | <u>(22,399)</u> |
| Interest receivable and similar income | | 22,928,861 | 16,517,371 |
| Interest payable and similar charges | 2 | <u>(22,889,705)</u> | <u>(16,450,829)</u> |
| | | <u>39,156</u> | <u>66,542</u> |
| Profit on ordinary activities before taxation | 3 | 22,058 | 44,143 |
| Taxation on profit on ordinary activities | 4 | <u>(6,617)</u> | <u>(13,243)</u> |
| Profit for the financial year | 12,13 | <u>15,441</u> | <u>30,900</u> |

The company has no other gains or losses and therefore no separate statement of total recognised gains and losses is presented

All results relate to continuing operations

There is no difference between the above results and their historical cost equivalent

Chester Asset Receivables Dealings 2002-A plc

Balance sheet as at 15 November 2007

| | Notes | 2007 £ | 2006 £ |
|----------------------------------------------------------------|-------|----------------------|----------------------|
| Financial assets | 7 | 552,244,866 | 523,777,006 |
| Current assets | | | |
| Financial assets | 7 | - | 2,791 |
| Cash at bank and in hand | | 70,186 | 101,371 |
| | | <u>70,186</u> | <u>104,162</u> |
| Creditors: amounts falling due within one year | 8 | <u>(6,617)</u> | <u>(16,034)</u> |
| Net current assets | | <u>63,569</u> | <u>88,128</u> |
| Total assets less current liabilities | | <u>552,308,435</u> | <u>523,865,134</u> |
| Creditors: amounts falling due after more than one year | 9 | <u>(552,244,866)</u> | <u>(523,777,006)</u> |
| Net assets | | <u><u>63,569</u></u> | <u><u>88,128</u></u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 12,502 | 12,502 |
| Profit and loss account | 13 | 51,067 | 75,626 |
| Equity shareholder's funds | 12 | <u><u>63,569</u></u> | <u><u>88,128</u></u> |

The financial statements on pages 6 to 14 were approved by the board of directors on 23 April 2008 and were signed on its behalf by

 23/4/08

J West
Director

Chester Asset Receivables Dealings 2002-A plc

Notes to the financial statements for the year ended 15 November 2007

1 Principal accounting policies

1.1 Accounting policies for the year ended 15 November 2007

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

1.2 Financial assets

The company classifies its investments in loan notes as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and not held for trading purposes.

1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in UK Sterling, which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. The company does not apply hedge accounting in relation to currency risk.

1.4 Financial instruments

Financial assets are recognised initially at their fair value. They are subsequently measured at amortised cost using the effective interest method. A provision for impairment will be recognised where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Financial assets are only classified as current assets where the company has an unconditional right to require settlement within 12 months of the balance sheet date.

Borrowings are recognised initially at their fair value, being their issue proceeds (fair value of the consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between proceeds net of transaction costs and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities where the company does not have the unconditional right to defer settlement for at least 12 months after the balance sheet date.

Chester Asset Receivables Dealings 2002-A plc

Notes to the financial statements for the year ended 15 November 2007 (continued)

1 Principal accounting policies (continued)

1.4 Financial instruments (continued)

Financial assets and liabilities are recognised using trade date accounting. Financial assets are derecognised when the rights to receive cash flows from the assets have expired. Financial liabilities are derecognised when they are extinguished, i.e. when the obligation is discharged or cancelled or expires.

Interest income and expense arising on financial assets and liabilities is measured at the instruments' effective interest rate.

1.5 Cash flows

The company is a wholly owned subsidiary of Chester Asset Securitisation Holdings Ltd (CASH), and the cash flows of the company are included in the consolidated group cash flow statement of CASH, the immediate parent company (see note 14). Consequently, the company is exempt from publishing a cash flow statement as permitted by FRS 1 "Cash Flow Statements (Revised)".

1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

2 Interest payable and similar charges

| | 2007 £ | 2006 £ |
|-------------------------------------------------------------------|-------------------|-------------------|
| Interest payable on loan notes expiring between one and two years | 22,889,705 | 16,450,829 |
| | <u>22,889,705</u> | <u>16,450,829</u> |

The amortisation of issuance costs for the current year forms part of the interest payable balance as it has been calculated under the effective interest rate method.

3 Profit on ordinary activities before taxation

Profit before taxation is stated after charging £nil (2006: £2,996) in respect of auditors' remuneration. Auditors' remuneration of £3,000 that relates wholly to the audit of the company has been borne by a fellow group undertaking.

Chester Asset Receivables Dealings 2002-A plc

Notes to the financial statements for the year ended 15 November 2007 (continued)

4 Taxation on profit on ordinary activities

| | 2007 £ | 2006 £ |
|-------------------------------|--------------|---------------|
| Current tax at 30% (2006 30%) | 6,617 | 13,243 |
| Total current tax | <u>6,617</u> | <u>13,243</u> |

No timing differences have arisen during the period, which eliminated the need of producing the reconciliation note to the standard rate of corporation tax of 30%

5 Employees

The average monthly number of people (including directors) employed by the company during the year was 2 (2006 2)

6 Directors emoluments

The emoluments of the directors during the year amounted to £10,400 (2006 £10,400) in respect of their services to Chester Asset Receivables Dealing 2002-A plc Fees of £9,400 (2006 £9,400) were borne by the company in connection with the services of the directors The remaining £1,000 (2006 £1,000) was borne by another group undertaking

7 Dividends

| | 2007 £'000 | 2006 £'000 |
|--------------------------|---------------|---------------|
| Dividends paid (note 13) | 40,000 | 50,000 |
| | <u>40,000</u> | <u>50,000</u> |

8 Financial assets

| | 2007 £ | 2006 £ |
|-----------------------------------------|--------------------|--------------------|
| (a) Amounts falling due after one year | | |
| Due from related parties (Note 14) | <u>552,244,866</u> | <u>523,777,006</u> |
| (b) Amounts falling due within one year | | |
| Due from related parties (Note 14) | <u>-</u> | <u>2,791</u> |

No provision for impairment has been made against the amounts due from related parties Additional disclosures are included in Note 10

Chester Asset Receivables Dealings 2002-A plc

Notes to the financial statements for the year ended 15 November 2007 (continued)

9 Creditors: amounts falling due within one year

| | 2007 | 2006 |
|-----------------|--------------|---------------|
| | £ | £ |
| Corporation tax | 6,617 | 13,243 |
| Other creditors | - | 2,791 |
| | <u>6,617</u> | <u>16,034</u> |

10 Creditors: amounts falling due after more than one year

| | 2007 | 2006 |
|------------------------------------------|--------------------|--------------------|
| | £ | £ |
| Loan notes due between one and two years | 552,244,866 | 523,777,006 |
| | <u>552,244,866</u> | <u>523,777,006</u> |

The floating notes 2009 were issued on 27 June 2002 and mature on 15 May 2009. The notes were all issued at 100% of their par value. The loan notes were issued at a discount of €1,705,000 on the class A notes, €136,500 on the class B notes and €272,500 on class C notes and these amounts are being debited to the initial carrying value and credited to the profit and loss account through the effective interest rate over the life of the Notes in accordance with FRS26 as adopted in the current and prior years.

The company has not had any defaults of principal, interest or redemption amounts during the period on its borrowed funds.

11 Financial instruments

Numerical financial instruments disclosures are set out below. Additional disclosures are set out in the director's report under the heading of Financial risk management and also in Notes 1, 8, 9 and 10.

Financial assets

Cash at bank does not bear any interest.

Loans and receivables

Amounts due from related parties are classified as loans and receivables and recorded at amortised cost.

Non-current amounts due from related parties relates to loan notes issued by Deva One Limited and their book value does not differ materially from their fair value.

The effective interest rates on non-current amounts due from related parties were as follows:

| Amounts falling due after one year | 2007 | 2006 |
|------------------------------------|------|------|
| Due from related parties | % | % |
| Euro Notes | 4.37 | 3.11 |

Chester Asset Receivables Dealings 2002-A plc

Notes to the financial statements for the year ended 15 November 2007 (continued)

11 Financial instruments (continued)

Financial Liabilities

The following Loan Notes are in issue

| Class | Date | Loan Note details | Amortised cost after issuance costs 2007 £ | Amortised cost after issuance costs 2006 £ |
|-------|----------|------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| A | 27/06/02 | €682m due 2009 at 3M EURIBOR + 0.18% | 485,684,079 | 460,662,519 |
| B | 27/06/02 | €39m due 2009 at 3M EURIBOR + 0.55% | 27,768,174 | 26,333,779 |
| C | 27/06/02 | €54.5m due 2009 at 3M EURIBOR + 1.25% | 38,792,613 | 36,780,708 |
| | | | 552,244,866 | 523,777,006 |

The effective interest rates of these instruments are the same as those disclosed under loans and receivables

Loan notes are repayable as follows:

| | 2007 £ | 2006 £ |
|---------------------------|-------------|-------------|
| Between one and two years | 552,244,866 | - |
| Between two to five years | - | 523,777,006 |
| | 552,244,866 | 523,777,006 |

The fair value of non-current amounts due from related parties were as follows

| | 2007 Book value £ | 2007 Fair value £ | 2006 Book value £ | 2006 Fair value £ |
|--------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Amounts falling due after one year: | | | | |
| Loan notes | 552,244,866 | 548,604,283 | 523,777,006 | 525,838,832 |

In order to manage interest rate and currency risk, the net proceeds of notes issued by the company are invested in loan notes issued by Deva One Limited. This investment is on similar terms and in the same currency as the notes issued by the company, thereby minimising the company's exposures to both currency, cash flow and fair value interest rate risk.

The company does not have a liquidity facility. Deva One Limited is obliged to pass sufficient net income to Chester Asset Receivables Dealings 2002-A plc in order for it to meet the obligation of its outstanding loan notes.

Derivative financial instruments

The company has no derivative instruments.

Chester Asset Receivables Dealings 2002-A plc

Notes to the financial statements for the year ended 15 November 2007 (continued)

12 Share capital

| | 2007 £ | 2006 £ |
|---------------------------------------------|----------------------|----------------------|
| Authorised | | |
| 50,000 ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |
| Allotted, called up and fully paid | | |
| 2 ordinary shares of £1 each | 2 | 2 |
| Allotted, called up and quarter paid | | |
| 49,998 ordinary shares of £1 each | <u>12,500</u> | <u>12,500</u> |
| | <u><u>12,502</u></u> | <u><u>12,502</u></u> |

13 Reconciliation of movement in equity shareholder's funds

| | 2007 £ | 2006 £ |
|--------------------------------------------------|----------------------|----------------------|
| Equity shareholder's funds at 16 November | 88,128 | 107,228 |
| Profit after tax | 15,441 | 30,900 |
| Dividends | <u>(40,000)</u> | <u>(50,000)</u> |
| Equity shareholder's funds at 15 November | <u><u>63,569</u></u> | <u><u>88,128</u></u> |

14 Profit and loss account

| | 2007 £ | 2006 £ |
|---------------------------------------|----------------------|----------------------|
| Reserves at 16 November | 75,626 | 94,726 |
| Profit after tax | 15,441 | 30,900 |
| Dividends | <u>(40,000)</u> | <u>(50,000)</u> |
| Profit and loss at 15 November | <u><u>51,067</u></u> | <u><u>75,626</u></u> |

15 Related party transactions

The company has invested in loan notes issued by Deva One Limited. The amount outstanding as at 15 November 2007 was £552,244,866 (2006 £523,777,006) disclosed within financial assets. As at 15 November 2007, both the company and Deva One Limited are deemed to be subsidiaries of MBNA Europe Bank Limited ("EBL").

Interest receivable and similar income includes £22,928,861 (2006 £16,517,352) receivable from Deva One Limited. £nil (2006 £2,791) of this amount is outstanding at the year end.

Chester Asset Receivables Dealings 2002-A plc

Notes to the financial statements for the year ended 15 November 2007 (continued)

16 Ultimate controlling Party

At 15 November 2007 the directors regarded Bank of America Corporation, a company incorporated in the United States of America, as the ultimate controlling party of the company. The largest group into which the company's accounts are consolidated is that of MBNA Europe Bank Limited (EBL). Copies of EBL's consolidated accounts are available from MBNA Europe Bank, Stansfield House, Chester Business Park, Chester CH4 9QQ.

The immediate parent company of Chester Asset Receivables Dealings 2002-A Plc ("Issuer"), and smallest group into which the company's accounts are consolidated, is Chester Asset Securitisation Holdings Ltd (CASH), a private limited liability company incorporated in the United Kingdom. CASH was established for the purpose of holding the shares of the Issuer. The results of the company are incorporated into the group accounts of CASH and are available from MBNA Europe Bank, Stansfield House, Chester Business Park, Chester CH4 9QQ.