

Premium Credit Receivables Limited
Annual report
for the year ended 31 December 2007

Registered number 3173715



Premium Credit Receivables Limited

Annual report for the year ended 31 December 2007

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Premium Credit Receivables Limited

Directors, secretary, and registered office

Directors

D I Akin
R A Allan
N C Pearce
M S Greene
D W Pumfrey

Secretary

A Mulholland

Registered office

Premium Credit House
60 East Street
Epsom
Surrey
KT17 1HB

Premium Credit Receivables Limited

Directors' report for the year ended 31 December 2007

The directors present their report and audited financial statements for the year ended 31 December 2007

Business review and principal activities

The company has not traded throughout the year. On 27 March 2006 the revolving credit facility was terminated, thereby removing the need for securitised assets to be held and at that date the company ceased trading. This was the principal activity of the company up until that date.

The entire share capital of Vendcrown Limited, the immediate parent company, was made available for sale during 2006. As at the date of signing these financial statements, no formal sale agreement has been signed.

Future outlook

The directors expect that the company will be made dormant during the year.

Directors

The directors who served during the year and up to the date of signing the financial statements were

D I Akin	
R A Allan	
K J Garrod	(resigned 1 February 2007)
N C Pearce	(appointed 22 February 2007)
M S Greene	(appointed 6 March 2007)
D W Pumfrey	(appointed 6 March 2007)

Directors' indemnities

The Company maintains liability insurance for its directors and officers.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 period.

Premium Credit Receivables Limited

Directors' report for the year ended 31 December 2007 (continued)

Statement of directors' responsibilities (continued)

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements 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 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

Provision of information to auditors

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 re-appointed for the next financial year in accordance with section 386 of the Companies Act 1985

On behalf of the board



R.A. Allan
Director

5th March 2008

Premium Credit Receivables Limited

Independent auditors' report to the members of Premium Credit Receivables Limited

We have audited the financial statements (the "financial statements") of Premium Credit Receivables Limited for the year ended 31 December 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 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 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 are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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 transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

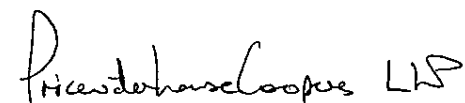
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of the company's 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
5th March 2008

Premium Credit Receivables Limited

Profit and loss account for the year ended 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Turnover	<i>1</i>	-	21,472
Other operating charges		-	(10,288)
Operating profit		-	<u>11,184</u>
Interest receivable	<i>3</i>	-	15
Interest payable and similar charges	<i>4</i>	-	(7,472)
Profit on ordinary activities before taxation	<i>5</i>	-	<u>3,727</u>
Tax on profit on ordinary activities	<i>6</i>	-	(1,118)
Profit for the financial year	<i>10,11</i>	-	<u><u>2,609</u></u>

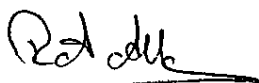
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Premium Credit Receivables Limited

Balance sheet as at 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Current assets			
Debtors	7	46,224	47,342
Creditors amounts due within one year	8	-	(1,118)
Net Assets		<u>46,224</u>	<u>46,224</u>
Capital and Reserves			
Called up share capital	9	-	-
Capital reserve	10	2,000	2,000
Profit and loss account	10	44,224	44,224
Shareholder's Funds	11	<u>46,224</u>	<u>46,224</u>

The financial statements on pages 6 to 12 were approved by the board of directors on 5th March 2008 and were signed on its behalf by



R.A. Allan
Director

Premium Credit Receivables Limited

Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Turnover and revenue recognition

Turnover represents finance charge income earned during the year net of commissions payable. Turnover was predominantly derived from the United Kingdom. The whole of the finance income of each finance agreement is recognised over the period of the underlying agreement using the Sum of Digits methodology. Income is deferred by reference to the number of days remaining outstanding on each agreement at the balance sheet date.

Bad debts

Under the terms of the financing facility for the company, all debts must be current and collectible. Accordingly, when any debts are identified as irrecoverable, they are sold back to the immediate parent company, Premium Credit Limited, in accordance with the terms of the facility and provision is made for these debts in that company's accounts.

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 in the future, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and gains and losses on translation are included in the profit and loss account.

Premium Credit Receivables Limited

Notes to the financial statements (continued)

1 Accounting policies (continued)

Cash flow statement and related party disclosures

The ultimate UK incorporated parent of the company is MBNA Europe Bank Limited, a wholly owned subsidiary of FIA Card Services, N A (formerly MBNA America Bank N A), ("the parent company"), which in turn is a wholly owned subsidiary of Bank of America Corporation (see note 23). Accordingly the cash flows of the company are included in the consolidated financial statements of MBNA Europe Bank Limited and, under the provisions of FRS 1 – "Cash Flow Statements (Revised)" the group is exempt from publishing a cash flow statement.

2 Segmental reporting

The company operates in one class of business, namely the financing of insurance premiums and renewable fees, and in one geographical area, the European Union. Accordingly, a segmental analysis of the company's business is not provided.

3 Interest receivable

	2007 £'000	2006 £'000
Interest receivable from bank deposits	-	15

4 Interest payable and similar charges

	2007 £'000	2006 £'000
Payable on revolving credit facility	-	6,006
Payable to group undertakings	-	1,466
	-	7,472

5 Profit on ordinary activities before taxation

Audit fees are borne by the immediate parent company. The audit fee relating to Premium Credit Receivables Limited for 2007 was £2,000 (2006 £2,000).

No emoluments were paid by the company to directors during the year (2006 £nil). Emoluments paid to directors in respect of their services to the immediate parent company are shown in the accounts of that company.

The emoluments of the directors during the year amounted to £1,000 (2006 £1,000) in respect of their services to Vendcrown Ltd, as borne by another group undertaking.

The company has no employees (2006 nil).

Premium Credit Receivables Limited

Notes to the financial statements (continued)

6 Tax on profit on ordinary activities

The taxation charge consists of the following	2007 £'000	2006 £'000
UK corporation tax at 30% (2006 30%)	-	1,118

There are no timing differences between the treatment of certain items for taxation and accounting purposes. Accordingly, the effective tax rate is the same as the standard rate of corporation tax in the UK.

7 Debtors

	2007 £'000	2006 £'000
Amounts owed by group undertakings	46,224	47,342
	<u>46,224</u>	<u>47,342</u>

8 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Corporation tax	-	1,118
	<u>-</u>	<u>1,118</u>

9 Called up share capital

	2007 £	2006 £
<i>Authorised</i>		
100 (2006 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Issued, allotted, called up and fully paid</i>		
1 (2006 1) ordinary share of £1	<u>1</u>	<u>1</u>

Premium Credit Receivables Limited

Notes to the financial statements *(continued)*

10 Reserves

		£'000
Capital reserve		
At 1 January 2007 and 31 December 2007		2,000
		<hr/>
Profit and loss account	2007	2006
	£'000	£'000
At 1 January	44,224	41,615
Retained profit for the financial year	-	2,609
	<hr/>	<hr/>
At 31 December	44,224	44,224
	<hr/>	<hr/>

11 Reconciliation of the movement in shareholder's funds

	2007	2006
	£'000	£'000
Opening shareholder's funds	46,224	43,615
Profit for the financial year	-	2,609
	<hr/>	<hr/>
Closing shareholders' funds	46,224	46,224
	<hr/>	<hr/>

12 Immediate parent undertaking

The company's immediate parent undertaking is Premium Credit Limited, which is incorporated in Great Britain and registered in England and Wales

13 Related party transactions

In accordance with the exemptions offered by FRS 8 "Related Party Disclosures" there is no disclosure in these financial statements of transactions with entities that are part of MBNA Corporation and its subsidiaries

Premium Credit Receivables Limited

Notes to the financial statements *(continued)*

14 Ultimate holding company

The directors regard 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 Bank of America Corporation. Copies of the consolidated financial statements of Bank of America Corporation may be obtained from Bank of America Corporate Center, 100 N Tryon Street, Charlotte, North Carolina, 28255, USA or from the Securities and Exchange Commission (SEC) in the United States or online at www.sec.gov

The immediate parent company of Premium Credit Receivables Limited and the smallest group into which the company's accounts are consolidated, is Premium Credit Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Premium Credit Limited may be obtained from the company secretary at Premium Credit House, 60 East Street, Epsom, Surrey KT17 1HB.

The entire share capital of Vendcrown Limited, the immediate parent company of Premium Credit Limited, was made available for sale during 2006. As at the date of signing these financial statements, no formal sale agreement has been signed.