

Chester Asset Receivables
Dealings 2002-A plc
Annual report for the year ended
15 November 2004

Registered no: 04358521



Chester Asset Receivables Dealings 2002-A plc

Annual report for the year ended 15 November 2004

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Chester Asset Receivables Dealings 2002-A plc

Directors, secretary and registered office

Directors

D Akin
SPV Management Limited
J Fairrie

Secretary and registered office

D Akin
C/o SPV Management Ltd
Tower 42
International Finance Centre
25 Old Broad Street
London
EC2N 1HQ

Chester Asset Receivables Dealings 2002-A plc

Directors' report for the year ended 15 November 2004

The directors present their report and financial statements for the year ended 15 November 2004.

Results and dividends

The company made a profit for the year after taxation of £38,535 (2003: £35,660). The directors do not recommend the payment of a dividend.

Principal activity and review of business

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 directors consider the state of affairs of the company and its future prospects to be satisfactory.

Derivatives and other financial instruments

The company has borrowed funds in foreign currency and has used these funds to invest in an equivalent amount of Loan notes, 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.

Directors and their interests

The directors are set out on page 1.

None of the directors had any beneficial interest in the shares of the company during the year.

By order of the board


Director

9 June 2005

Chester Asset Receivables Dealings 2002-A plc

Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare accounts 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 period. 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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 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.

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

We have audited the company's financial statements for the year ended 15 November 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Statement of Cash Flows and related notes 1 to 15. 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 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 the implications for our report if we become aware of any apparent misstatements within it.

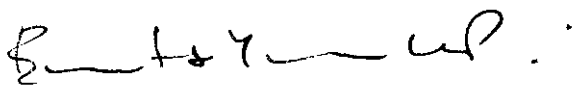
Basis of audit opinion

We conducted our audit in accordance with 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 15 November 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Leeds

10 June, 2005.

Chester Asset Receivables Dealings 2002-A plc

Profit and loss account for the year ended 15 November 2004

	Notes	2004 £	2003 £
Interest receivable and similar income		12,973,370	15,851,509
Interest payable and similar charges	2	(12,889,674)	(15,779,841)
Net interest income		83,696	71,668
Operating expenses		(28,646)	(20,725)
Profit before taxation	3	55,050	50,943
Taxation	4	(16,515)	(15,283)
Profit for the year	12	38,535	35,660

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


Results relate to continuing operations.

Chester Asset Receivables Dealings 2002-A plc

Balance sheet as at 15 November 2004

	Notes	2004 £	2003 £
Investments	6	<u>541,499,202</u>	<u>539,907,011</u>
Current assets			
Debtors	7	2,200	19,128
Cash at bank		<u>116,477</u>	<u>76,442</u>
		118,677	95,570
Creditors: Amounts falling due within one year	8	<u>(18,715)</u>	<u>(34,143)</u>
Net current assets		<u>99,962</u>	<u>61,427</u>
Total assets less current liabilities		541,599,164	539,968,438
Creditors: Amounts falling due after more than one year	9	<u>(541,499,202)</u>	<u>(539,907,011)</u>
Net assets		<u>99,962</u>	<u>61,427</u>
Capital and reserves			
Called up share capital	10	12,502	12,502
Profit and loss account	12	<u>87,460</u>	<u>48,925</u>
Equity shareholder's funds	11	<u>99,962</u>	<u>61,427</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 9 June 2005 and were signed on its behalf by:



Director

Chester Asset Receivables Dealings 2002-A plc

Statement of cash flows for the year ended 15 November 2004

	Notes	2004 £	2003 £
Net cash inflow from operating activities	14 (a)	55,318	48,324
Taxation			
- UK Corporation tax paid		(15,283)	(5,685)
Increase in cash		<u>40,035</u>	<u>42,639</u>

Reconciliation of net cash flow to movement in net debt

	Notes	2004 £	2003 £
Increase in cash in the year		<u>40,035</u>	<u>42,639</u>
Change in net debt resulting from cash flows	14 (b)	40,035	42,639
Exchange differences	14 (b)	(1,400,317)	(46,931,218)
Amortisation of issues costs	14 (b)	(191,874)	(191,874)
Movement in net debt		<u>(1,552,156)</u>	<u>(47,080,453)</u>
Net opening debt	14 (b)	<u>(539,830,569)</u>	<u>(492,750,116)</u>
Net debt at 15 November	14 (b)	<u>(541,382,725)</u>	<u>(539,830,569)</u>

Chester Asset Receivables Dealings 2002-A plc

Notes to the financial statements for the year ended 15 November 2004

1 Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with all applicable UK accounting standards as defined by the Companies Act 1985 s256.

Turnover

Turnover and cost of sales, as prescribed by the Companies Act 1985, do not have meaningful equivalents for the business of the company and are not defined in these accounts.

Interest receivable and funding costs

Interest receivable and payable are accounted for on an accruals basis. Income receivable relates to the loan notes purchased from Deva One Limited.

Investments

Investments are stated at cost less any provision for permanent diminution in value.

Capital Instruments

Shares are included in shareholder's funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholder's funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contractual rate if the contract is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate.

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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

	2004 £	2003 £
Interest payable on loan notes expiring in more than 5 years	12,697,800	15,587,967
Amortisation of deferred loan note issue costs	191,874	191,874
	<u>12,889,674</u>	<u>15,779,841</u>

3 Profit before taxation

Profit before taxation is stated after accruing a charge of £2,200 (2003: £2,050) in respect of auditor's remuneration and directors' fees totalling £9,400 (2003: £9,004) in respect of management services provided.

4 Taxation

	2004 £	2003 £
UK corporation tax at 30% – Current year	16,515	15,283
	<u>16,515</u>	<u>15,283</u>

No timing differences have arisen during the year, 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 (2003: 2). The company paid no remuneration to the directors. Fees paid in respect of the services of the directors are disclosed in Note 3.

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6 Investments

On 27 June 2002, the company purchased class A loan notes of €682 million, class B loan notes of €39 million and class C loan notes of €54.5 million from Deva One Limited, a related party (see note 15).

The loan notes were purchased at a discount of €2,114,000 and this amount is being debited to the net investment and credited to the profit and loss account at a constant periodic rate over the life of the notes.

7 Debtors

	2004 £	2003 £
Due from related parties	2,200	19,128
	<u>2,200</u>	<u>19,128</u>

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Taxation	16,515	15,283
Other creditors	2,200	18,860
	<u>18,715</u>	<u>34,143</u>

9 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Loan notes due after more than five years	542,383,924	540,983,607
Unamortised issuance costs	(884,722)	(1,076,596)
	<u>541,499,202</u>	<u>539,907,011</u>

The floating notes 2009 were issued on 27 June 2002. The notes were all issued at 100% of their par value. The loan notes were recorded net of issue costs 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 will be charged to the profit and loss account at a constant periodic rate and credited to the net proceeds over the life of the notes. Interest is payable at 0.18% above EURIBOR on the class A notes, at EURIBOR plus 0.55% on the class B notes and at EURIBOR plus 1.25% on the class C note.

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10 Share capital

	2004 £	2003 £
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>12,502</u>	<u>12,502</u>

11 Reconciliation of movement in equity shareholder's funds

	2004 £	2003 £
Equity shareholder's funds at 16 November	61,427	25,767
Profit for the year	<u>38,535</u>	<u>35,660</u>
Equity shareholder's funds at 15 November	<u>99,962</u>	<u>61,427</u>

12 Profit and loss account

	2004 £	2003 £
Reserves at 16 November	48,925	13,265
Profit for the year	<u>38,535</u>	<u>35,660</u>
Profit and loss account at 15 November	<u>87,460</u>	<u>48,925</u>

Chester Asset Receivables Dealings 2002-A plc

13 Financial instruments

In June 2002, the company issued loan notes as follows:

Financial Liabilities	Currency	Interest rate	Amount
Class A notes	Euro	3 month EURIBOR + 0.18 %	682,000,000
Class B notes	Euro	3 month EURIBOR + 0.55 %	39,000,000
Class C notes	Euro	3 month EURIBOR + 1.25 %	54,500,000
			<u>775,500,000</u>
Financial Assets			<u>775,500,000</u>

The proceeds were used to purchase loan notes to the equivalent value issued by Deva One Limited. The interest rate on these notes is determined so as to provide the company with a 0.01% margin on the principal amount over the life of the notes. At the year end 3 month EURIBOR was 2.173%.

The company's only financial instruments are cash, its investments in Loan notes and its long-term liabilities in respect of the Notes. It has no derivative instruments.

	Floating rate financial liabilities	
	2004	2003
Currency	£	£
Euro	541,499,202	539,907,011
	Floating rate financial assets	
	2004	2003
Currency	£	£
Sterling	116,477	76,442
Euro	541,499,202	539,907,011
	<u>541,615,679</u>	<u>539,983,453</u>

In the opinion of the directors there is no material difference between the carrying value of the financial instruments and their fair value.

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.

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14 Notes to the statement of cash flows

(a) Reconciliation of profit before taxation to net cash inflow from operating activities

	2004 £	2003 £
Profit before taxation	55,050	50,943
Decrease/(Increase) in debtors	16,928	(16,595)
(Decrease)/Increase in other creditors	(16,660)	13,976
Net cash inflow from operating activities	55,318	48,324

(b) Analysis of changes in net debt

	At 15 November 2003 £	Cash flow £	Other non-cash Movements £	At 15 November 2004 £
Cash	76,442	40,035	-	116,477
Loan Notes	(500,597,102)	-	-	(500,597,102)
Exchange movements	(39,043,388)	-	(1,400,317)	(40,443,705)
Amortisation of Issuance Costs	(266,521)	-	(191,874)	(458,395)
	<u>(539,830,569)</u>	<u>40,035</u>	<u>(1,592,191)</u>	<u>(541,382,725)</u>

15 Related party transactions

On 27 June 2002 the company invested €775.5 million in loan notes issued by Deva One Limited. As at 15 November 2004, both the company and Deva One Limited are deemed to be quasi subsidiaries of MBNA Europe Bank Limited (EBL) under the principle of Financial Reporting Standard No.5.

Interest receivable and similar income comprises £12,973,370 (2003: £15,851,509) receivable from Deva One Limited. £2,200 (2003: £19,128) of this amount is outstanding at the year end.

The directors regard MBNA 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 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 2001-B 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.