

~~W/TH~~

FC 25272

Chester Asset Securitisation Holdings No.2 Limited

Annual report for the year ended

31 December 2006

Registered no 87842

WEDNESDAY



A37 *AFG8UQRO* 248
27/06/2007
COMPANIES HOUSE

Chester Asset Securitisation Holdings No.2 Limited

Annual report for the year ended 31 December 2006

	Pages
Directors, secretary, assistant secretary and registered office	1
Directors' report	2
Balance sheet	4
Notes to the financial statements	5-6

Chester Asset Securitisation Holdings No.2 Limited

Directors, secretary, assistant secretary and registered office

Directors

James Fairrie
Martin McDermott
Robin Baker

Secretary

Bedell Secretaries Limited
26 New Street
St Helier
Jersey
JE2 3RA

Assistant secretary

Wilmington Trust SP Services (London) Limited
Tower 42
Level 11
25 Old Broad Street
London
EC2N 1HQ

Registered office

26 New Street
St Helier
Jersey
JE2 3RA

Chester Asset Securitisation Holdings No.2 Limited

Directors' report for the year ended 31 December 2006

The directors present their report and consolidated financial statements for the year ended 31 December 2006.

Review of business

The Company made no profit or loss during the year. The directors do not recommend the payment of a dividend.

Principal activity

The principal activity of the Company is investment holding. The Company, together with its sole subsidiary Chester Asset Receivables Dealings Issuer Limited ("Issuer"), were incorporated as special purpose vehicles for the purposes of the MBNA Europe credit card securitisation programme ("the Programme"). The Programme established a structure for the purpose of securitising certain credit card receivables of MBNA Europe Bank Limited ("EBL") arising in the UK. Under the structure, EBL assigns to Credit Card Securitisation Europe Limited ("CCSE") certain receivables in its credit card portfolio.

CCSE acts as a receivables trustee and holds the receivables on trust for the benefit of Deva One Limited, Deva Two Limited and Deva Three Limited (the "Loan Note Issuers"). Deva Three Limited will issue Global Loan Notes from time to time and the Company may subscribe for some or some part of these.

The Issuer will from time to time issue limited recourse Loan Notes publicly up to a currently anticipated programme limit of £10,000,000,000. The Company will, inter alios, enter into option arrangements in relation to the Loan Notes to be issued by the Issuer.

The Company is considered to be a private company under Companies (Jersey) Law 1991 and as such is not required to be audited.

Financial risk management

The directors do not believe there are any significant currency, interest rate, credit or liquidity risks due to the nature of the business.

Directors and their interests

The directors are set out on page 1. During the year S Hollywood, P Byrne and E Buckland resigned as directors. None of the directors had any beneficial interest in the shares of the Company during the period.

Directors' report for the year ended 31 December 2006 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Jersey law and 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 (Jersey) Law 1991. 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

Chester Asset Securitisation Holdings No.2 Limited

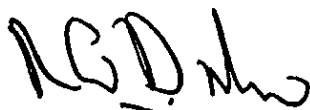
Balance sheet as at 31 December 2006

	Notes	2006 £	2005 £
Investments	3	<u>2</u>	<u>2</u>
Total assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	5	<u>2</u>	<u>2</u>
Equity shareholder's funds	6	<u>2</u>	<u>2</u>

No profit and loss account has been presented as the Company has received no income and incurred no expense during the current year and prior period.

The accompanying notes on pages 5 to 6 form an integral part of these financial statements

The financial statements on pages 4 to 6 were approved by the board of directors on 13 June 2007 and were signed on its behalf by



Robin Baker

Director

Chester Asset Securitisation Holdings No.2 Limited

Notes to the financial statements for year ended 31 December 2006

1 Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with accounting standards generally accepted in Jersey, incorporating United Kingdom accounting standards. The Company is deemed to be a wholly owned subsidiary of MBNA Europe Bank Limited, a UK registered Company and is exempt from preparing group accounts under Companies (Jersey) Law 1991.

2 Employees and directors' remuneration

There were no people (including directors) employed by the Group or the Company during the year. There was no employee remuneration or directors' emoluments paid in the year.

3 Investments

During the prior period the Company purchased the entire share capital of Chester Asset Receivables Dealings Issuer Limited for £2.

4 Shares in group undertakings

The Company has one wholly owned subsidiary undertaking as follows:

Name of undertaking	Nature of business
Chester Asset Receivables Dealings Issuer Limited	Financing

5 Share capital

	2006 £	2005 £
Authorised		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>

The Company was incorporated with an authorised share capital of £2 comprising of 2 ordinary shares of £1 each, both of which were issued and fully paid on incorporation.

Chester Asset Securitisation Holdings No.2 Limited

6 Reconciliation of movement in equity shareholder's funds

	2006	2005
Equity shareholder's funds at 1 January	2	-
New share capital issued	-	2
	<hr/>	<hr/>
Equity shareholder's funds at 31 December	<u>2</u>	<u>2</u>

7 Ultimate controlling Party

At 31 December 2006 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 and smallest 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.