

Company Number: 4856478

IMPERIAL TOBACCO ENTERPRISE FINANCE LIMITED

Annual Report and Accounts 2005



Board of Directors

A J Cooper (Mrs)
R Dyrbus
M R Phillips
T M Williams

Company Secretary

C Deft

Registered Office

PO Box 244
Upton Road
Bristol
BS99 7UJ

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
31 Great George Street
Bristol
BS1 5QD

Report of the Directors

The Directors submit their report together with the financial statements of the Company for the year ending 30 September 2005.

Principal activities

The principal activity of the Company is the provision of finance to other Imperial Tobacco Group companies.

Financial results and dividends

The profit after taxation for the period was €111,183,000 (2004: €73,059,000).

The Directors have declared dividends as follows:

(In €000's)	2005	2004
Proposed final	-	56,000

Directorate

The present Board of Directors is shown on page 1.

Mr M R Phillips was appointed to the Board on 1 October 2004. Mr F A Rogerson resigned from the Board on 30 September 2005. There have been no other changes in the period under review.

Directors' interests in shares (beneficial and family interests)

The declarable interests of R Dyrbus are disclosed in the published accounts of Imperial Tobacco Holdings Limited.

The declarable interests of F A Rogerson as at 30 September 2005 are disclosed in the published accounts of Imperial Tobacco Group PLC.

The declarable interests of A J Cooper, T M Williams and M R Phillips are disclosed in the published accounts of Imperial Tobacco Overseas Limited.

Going concern

The Directors are satisfied that the Company has adequate resources to meet its operational needs for the foreseeable future and accordingly they continue to adopt the going concern basis in preparing the financial statements.

Statement of Directors' responsibilities

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 at the balance sheet date and of the profit or loss of the Company for that period.

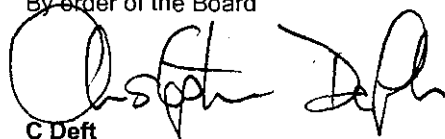
The Directors consider that suitable accounting policies have been used and applied consistently. They also confirm that reasonable judgements and estimates have been made in preparing the financial statements for the period 1 October 2004 to 30 September 2005 and that applicable Accounting Standards have been followed.

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.

Auditors

During the year, PricewaterhouseCoopers LLP were appointed as Auditors to the Company. A resolution to re-appoint PricewaterhouseCoopers LLP as Auditors to the Company will be proposed at the Annual General Meeting.

By order of the Board



C Deft

Company Secretary
27 January 2006

Independent auditors' report to the members of Imperial Tobacco Enterprise Finance Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the statement of Directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 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 is not disclosed.

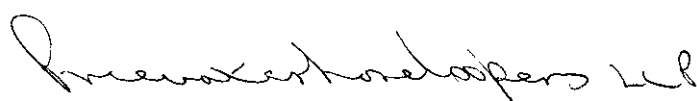
Basis of audit opinion

We conducted our audit in accordance with 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 the Company's affairs at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Bristol

27 January 2006

Profit and loss account

for the year ended 30 September 2005

<i>(In €000's)</i>	Notes	2005	2004
Operating profit / (loss)		3,541	(231)
Profit/(loss) on ordinary activities before interest	1	3,541	(231)
Net interest	3	152,774	104,601
Profit on ordinary activities before taxation		156,315	104,370
Taxation	4	(45,132)	(31,311)
Profit on ordinary activities after taxation		111,183	73,059
Dividends	5	-	(56,000)
Retained profit for the financial year	11	111,183	17,059

The figures above are directly related to continuing operations.

There is no difference between the profit and loss as shown above and that calculated on an historical cost basis.

The Company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

Balance Sheet

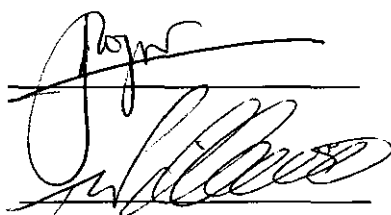
at 30 September 2005

<i>(In €000's)</i>	Notes	2005	2004
Current assets			
Debtors	6	5,615,566	2,010,800
Cash at bank		-	13,800
		5,615,566	2,024,600
Creditors: amounts falling due within one year	7	(978,583)	(716,569)
Net current assets		4,636,983	1,308,031
Creditors: amounts falling due after more than one year	7	(50,000)	-
Net assets		4,586,983	1,308,031
Capital and reserves			
Called up share capital	9	329,687	12,910
Share premium account	10	4,129,054	1,278,062
Profit and loss account	11	128,242	17,059
Equity Shareholders' funds	12	4,586,983	1,308,031

The accounts on pages 4 to 9 were approved by the Board of Directors on 27 January 2006 and signed on its behalf by:

A J Cooper (Mrs)
Director

T M Williams
Director



Accounting Policies

The accounts have been prepared in accordance with Accounting Standards currently applicable in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention.

The reporting currency of the Company is €. The exchange rate at 30 September 2005 was £1 = €1.4672.

Cash flow statement

The Company has not presented a cash flow statement as it has taken advantage of the exemption conferred by FRS 1 (revised).

Foreign currencies

Transactions in currencies other than the € are translated at the exchange rate ruling at the date of the transaction, or where forward foreign currency contracts have been arranged, at the contracted rates. Monetary assets and liabilities denominated in currencies other than the €, where a contracted rate does not apply, are retranslated at the exchange rates ruling at the balance sheet date and any exchange differences are taken to the profit and loss account.

Notes to the accounts

1 Profit/(loss) on ordinary activities before interest

Profit/(loss) on ordinary activities is stated after including:

<i>(In €000's)</i>	2005	2004
Exchange gains / (losses)	3,559	(209)

The Company's audit fees and employee costs were met by Imperial Tobacco Limited.

2 Directors' emoluments

None of the Directors received any emoluments from the Company in respect of the period under review.

The emoluments of the Directors are paid by Imperial Tobacco Limited which makes no recharge to the Company. Accordingly, their emoluments are not disclosed in these financial statements.

3 Net interest

<i>(In €000's)</i>	2005	2004
Interest payable		
Overdrafts	(10)	(53)
Bank loans	(1,312)	-
Group undertakings	(45,816)	(20,509)
	(47,138)	(20,562)
Interest receivable		
Group undertakings	199,912	125,163
	152,774	104,601

4 Taxation

The corporation tax charge for the period, at the UK's standard rate of corporation tax of 30.0%, was €45,132,000 (2004: €31,311,000).

Factors affecting the current tax charge for the year

The tax assessed for the year is lower than the standard higher rate of corporation tax in the UK (30.0%). The differences are explained below:

<i>(In €000's)</i>	2005	2004
Profit on ordinary activities before taxation	156,315	104,370
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30.0% (2004: 30%)	46,895	31,311
Effects of:		
Adjustments to tax charge in respect of prior years	(1,767)	-
Withholding tax	4	-
Total current tax	45,132	31,311

5 Dividends

The dividends on the ordinary shares were declared as follows:

<i>(In €000's)</i>	2005	2004
Proposed final	-	56,000

6 Debtors

<i>(In €000's)</i>	2005	2004
Amounts falling due within one year		
Amounts owed by parent company and fellow subsidiary undertakings	5,615,537	2,010,800
Other debtors and prepayments	29	-
	5,615,566	2,010,800

Notes to the accounts

7 Creditors

<i>(In €000's)</i>	2005	2004
Amounts falling due within one year		
Amounts owed to parent company and fellow subsidiary undertakings	950,686	685,258
Accruals and deferred income	53	-
Corporation tax	27,844	31,311
	978,583	716,569
Amounts falling due after more than one year		
Bank loans (see note 8)	50,000	-

8 Borrowings

<i>(In €000's)</i>	2005	2004
Amounts falling due between two and five years		
Bank loans	50,000	-

The bank loan is held in € with reference to EURIBOR plus a margin.

Borrowing facilities

The Company has undrawn committed facilities available to it at 30 September 2005 of €877m, which are available to either Imperial Tobacco Enterprise Finance Limited or Imperial Tobacco Finance PLC.

9 Called up share capital

<i>(In €000's)</i>	2005	2004
Authorised		
500,000,000 ordinary shares of €1 each (2004: 100,000,000)	500,000	100,000
Balance at end of year	500,000	100,000
Called-up and fully paid		
329,686,611 ordinary shares of €1 each (2004: 12,909,720)	329,687	12,910
Balance at end of year	329,687	12,910

During the year the Company issued 316,776,891 ordinary shares of €1 each to Reemtsma Cigarettenfabriken GmbH in exchange for an investment in Imperial Tobacco Commercial Services.

10 Share premium account

<i>(In €000's)</i>	2005	2004
Authorised ordinary shares of €1 each		
Balance at beginning of year	1,278,062	-
Premium on shares issued during year	2,850,992	1,278,062
Balance at end of year	4,129,054	1,278,062

11 Profit and loss account

<i>(In €000's)</i>	2005	2004
Balance at beginning of year	17,059	-
Retained profit for the year	111,183	17,059
Balance at end of year	128,242	17,059

Notes to the accounts

12 Reconciliation of movements in shareholders' funds

<i>(In €000's)</i>	2005	2004
Retained profit for the year	111,183	17,059
Issue of ordinary shares	3,167,769	1,290,972
Net increase in shareholders' funds	3,278,952	1,308,031
Opening shareholders' funds	1,308,031	-
Closing shareholders' funds	4,586,983	1,308,031

13 Related party transactions

The Company has taken advantage of the group dispensation permitted under FRS 8 Related Party Transactions for 90% subsidiaries, not to disclose intra group transactions undertaken during the year.

14 Number of employees

The average number of employees during the period was 2 (2004: nil).

15 Immediate and ultimate parent undertakings

The ultimate parent undertaking and controlling party of Imperial Tobacco Enterprise Finance Limited at 30 September 2005 was Imperial Tobacco Group PLC, a company incorporated in Great Britain and registered in England and Wales whose consolidated financial statements may be obtained from The Company Secretary, PO Box 244, Upton Road, Bristol, BS99 7UJ.

The immediate parent undertaking of Imperial Tobacco Enterprise Finance Limited at 30 September 2005 was Reemtsma Cigarettenfabriken GmbH, a company incorporated in Germany.