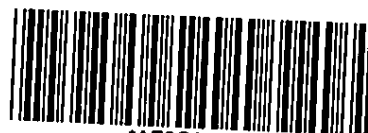


Company Number 4856478

IMPERIAL TOBACCO ENTERPRISE FINANCE LIMITED

Annual Report and Accounts 2007

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Board of Directors

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

Company Secretary

R L Gibbs (Ms) (appointed 1 October 2006)

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 2007

Business review, principal activity and financial risk management

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

The Company is a wholly owned subsidiary of Imperial Tobacco Group PLC and the Directors of the Group manage operations at a Group level. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the treasury operations of the Group, which includes the Company, are discussed on page 88 of the Group's Annual Report which does not form part of this report, but is available at www.imperial-tobacco.com

In addition, the Directors of the Group manage the Group's risks at a Group level, rather than at an individual entity level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the business of the Company. The principal risks and uncertainties of the Group, which include those of the Company, are discussed on page 12 of the Group's Annual Report, which does not form part of this report.

Financial results and dividends

The profit for the financial year was €133,871,000 (2006: €133,304,000)

The Directors have declared dividends as follows

<i>(In €000's)</i>	2007	2006
Interim paid, 26 September 2007	130,000	-
Interim paid, 27 September 2006	-	262,000

Future outlook

The year end financial position was considered satisfactory and the Directors expect that the present level of activity will be sustained for the foreseeable future.

Board of Directors

The present Board of Directors is shown on page 1. There were no changes in the period under review.

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

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.

In preparing those financial statements, the Directors are required to

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

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.

Report of the Directors

Auditors and disclosure of information to Auditors

Each of the Directors in office as of the date of approval of this report confirms that

- so far as they are 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
- they have each taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

A resolution to reappoint PricewaterhouseCoopers LLP as Auditors to the Company will be proposed at the Annual General Meeting

By order of the Board



R L Gibbs
Company Secretary
9 January 2008

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

We have audited the financial statements of Imperial Tobacco Enterprise Finance Limited for the year ended 30 September 2007 which comprise the profit and loss account, the balance sheet, the accounting policies 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 also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

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 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 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.

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 30 September 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
Bristol
11 January 2008

Profit and loss account

for the year ended 30 September 2007

<i>(In €000's)</i>	Notes	2007	2006
Administrative exepnses		2,669	(3,088)
Profit/(loss) on ordinary activities before interest	1	2,669	(3,088)
Net interest receivable	3	235,575	207,449
Profit on ordinary activities before taxation		238,244	204,361
Taxation	4	(104,373)	(71,057)
Profit for the financial year	10	133,871	133,304

The figures above are directly related to continuing operations

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

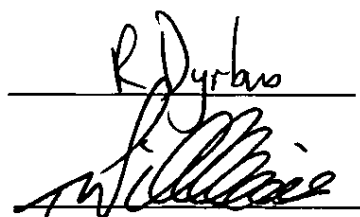
at 30 September 2007

<i>(In €000's)</i>	Notes	2007	2006
Current assets			
Debtors	6	5,142,123	5,152,679
Cash at bank		317,886	118,777
		5,460,009	5,271,456
Creditors amounts falling due within one year	7	(951,788)	(767,106)
Net current assets		4,508,221	4,504,350
Creditors amounts falling due after more than one year	7	(50,000)	(50,000)
Net assets		4,458,221	4,454,350
Capital and reserves			
Called up share capital	9	329,687	329,687
Share premium account	10	4,125,117	4,125,117
Profit and loss account	10	3,417	(454)
Equity Shareholders' funds	11	4,458,221	4,454,350

The financial statements on pages 5 to 10 were approved by the Board of Directors on 9 January 2008 and signed on its behalf by

R Dyrbus
Director

T M Williams
Director



Accounting policies

The financial statements have been prepared in accordance with the Companies Act 1985 and UK Generally Accepted Accounting Principles. 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 2007 was £1 = €1.4332.

Cash flow statement

The Company is a wholly-owned subsidiary of Imperial Tobacco Group PLC and is included in the financial statements of Imperial Tobacco Group PLC. Consequently, the Company has taken advantage of the exemption conferred by FRS1 (revised) and not presented a cash flow statement.

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.

Dividends

Final dividends payable are recognised as a liability or asset in the Company's financial statements in the period in which dividends are approved by shareholders, while interim dividends are recognised in the period in which dividends are paid.

Notes to the accounts

1 Profit/(loss) on ordinary activities before interest

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

(In €000's)	2007	2006
Exchange gains/(losses)	2,696	(3,064)

The Company's audit fees of £1,400 were met by Imperial Tobacco Limited

2 Directors' emoluments and pensions

Directors' emoluments

None of the Directors received any emoluments from the Company in respect of the year under review (2006 nil)

The emoluments of the Directors are paid by Imperial Tobacco Limited a wholly owned subsidiary of Imperial Tobacco Group PLC, the ultimate parent company. The Directors' services to the Company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to Imperial Tobacco Limited and the ultimate parent company. Accordingly, no emoluments are disclosed in these financial statements.

Directors' pensions

Retirement benefits are accruing under a defined benefit scheme, in respect of qualifying services of all the Company's Directors. The Directors' services to the Company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to Imperial Tobacco Limited and the ultimate parent company. Accordingly, no retirement benefits are disclosed in these financial statements.

3 Net interest receivable

(In €000's)	2007	2006
Interest payable		
Overdrafts	-	(8)
Bank loans	(8,279)	(2,442)
Group undertakings	(42,255)	(47,689)
	(50,534)	(50,139)
Interest receivable		
Group undertakings	286,109	257,588
	235,575	207,449

4 Taxation

Analysis of charge in the year

(In €000's)	2007	2006
Corporation tax at 30% (2006 30%)	90,410	61,206
Adjustments to tax charge in respect of prior years	13,963	9,851
Current tax charge	104,373	71,057

Factors affecting the current tax charge for the year

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

(In €000's)	2007	2006
Profit on ordinary activities before taxation	238,244	204,361
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30.0% (2006 30%)	71,474	61,308
Effects of		
UK-UK transfer pricing adjustment	18,936	-
Adjustments to tax charge in respect of prior years	13,963	9,851
Non taxable income	-	(102)
Total current tax	104,373	71,057

Notes to the accounts

4 Taxation (continued)

Factors affecting future tax charge

With effect from 1 April 2008 the mainstream corporation tax rate is reducing from 30% to 28%. As a result profits arising after this date will be subject to a lower mainstream rate of corporation tax.

5 Dividends

Amounts recognised as distributions to ordinary shareholders in the year

<i>(In €000's)</i>	2007	2006
Interim dividend for the year ended 30 September 2007 / 30 September 2006	130,000	262,000

6 Debtors

<i>(In €000's)</i>	2007	2006
Amounts falling due within one year		
Amounts owed by parent company and fellow subsidiary undertakings	5,141,412	5,152,679
Other debtors and prepayments	711	-
	5,142,123	5,152,679

7 Creditors

<i>(In €000's)</i>	2007	2006
Amounts falling due within one year		
Amounts owed to parent company and fellow subsidiary undertakings	897,254	736,315
Accruals and deferred income	790	928
Corporation tax	53,744	29,863
	951,788	767,106
Amounts falling due after more than one year		
Bank loans (see note 8)	50,000	50,000

8 Borrowings

<i>(In €000's)</i>	2007	2006
Amounts falling due between two and five years		
Bank loans	50,000	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 2007 of €1,112 million (2006 €742 million), 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>	2007	2006
Authorised		
500,000,000 ordinary shares of €1 each	500,000	500,000
Called-up and fully paid		
329,686,611 ordinary shares of €1 each	329,687	329,687

Notes to the accounts

10 Reserves

<i>(In €000's)</i>	Share Premium account	Profit and loss account
As at 1 October 2006	4,125,117	(454)
Profit for the financial year	-	133,871
Dividends paid	-	(130,000)
As at 30 September 2007	4,125,117	3,417

11 Reconciliation of movements in shareholders' funds

<i>(In €000's)</i>	2007	2006
Profit for the financial year	133,871	133,304
Dividends paid	(130,000)	(262,000)
Net increase/(decrease) in shareholders' funds	3,871	(128,696)
Opening shareholders' funds	4,454,350	4,583,046
Closing shareholders' funds	4,458,221	4,454,350

12 Contingent liabilities

The Company is party to a cross guarantee of its bank accounts held at HSBC Bank PLC against accounts of its ultimate parent, Imperial Tobacco Group PLC, and fellow subsidiary companies. At 30 September 2007, the amount under this cross guarantee was €33 million (2006 €2 million).

Together with Imperial Tobacco Group PLC, Imperial Tobacco Limited, Imperial Tobacco Finance PLC and Imperial Tobacco Finance (2) PLC, fellow subsidiaries of Imperial Tobacco Group PLC, the Company guarantees various borrowings of Imperial Tobacco Finance PLC. At 30 September 2007, the contingent liability totalled €3,934 million (2006 €2,875 million).

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 (2006 2).

15 Immediate and ultimate parent undertakings

The ultimate parent undertaking and controlling party of Imperial Tobacco Enterprise Finance Limited at 30 September 2007 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 2007 was Imperial Tobacco Germany Management GmbH, a company incorporated in Germany.