

COCA COLA ENTERPRISES INC
Form 11-K
June 29, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Annual Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934**

FORM 11-K

**x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934**

For the fiscal year ended December 31, 2005

OR

**.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 [NO FEE REQUIRED]**

Commission file number 1-9300

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

COCA-COLA ENTERPRISES INC. SAVINGS AND INVESTMENT PLAN

FOR CERTAIN BARGAINING EMPLOYEES

**B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
COCA-COLA ENTERPRISES INC.**

2500 Windy Ridge Parkway, Atlanta, Georgia 30339

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The Coca-Cola Enterprises Inc. Savings and Investment Plan for Certain Bargaining Employees (the Plan) is a plan which is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended (ERISA). Accordingly, the following items are filed herewith as part of this annual report:

Audited financial statements:

Report of Banks, Finley, White & Co., Independent Registered Public Accounting Firm

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits at December 31, 2005 and 2004

Statement of Change in Net Assets Available for Benefits for the Year Ended December 31, 2005

Notes to Financial Statements

Schedule of Assets at December 31, 2005

Signature

Exhibit 23.1 Consent of Banks, Finley, White & Co., Independent Registered Public Accounting Firm

Exhibit 23.2 Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Global Retirement Programs Committee, which Committee administers the employee benefit plan, has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**COCA-COLA ENTERPRISES INC. SAVINGS AND
INVESTMENT PLAN FOR CERTAIN
BARGAINING EMPLOYEES**
(Name of Plan)

By /s/ Joyce King-Lavinder
Joyce King-Lavinder
Member, Global Retirement Programs Committee

Date: June 27, 2006

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Exhibit Index

Exhibit

| Number | Description |
|----------------|--|
| Exhibit 23.1 - | Consent of Banks, Finley, White & Co., Independent Registered Public Accounting Firm |
| Exhibit 23.2 - | Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm |

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FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Coca-Cola Enterprises Inc. Savings and Investment Plan

for Certain Bargaining Employees

As of December 31, 2005 and 2004 and For the Year Ended December 31, 2005

with Reports of Independent Registered Public Accounting Firms

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Financial Statements
And Supplemental Schedule

As of December 31, 2005 and 2004 and For the Year ended December 31, 2005

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Report of Independent Registered Public Accounting Firm

To the Global Retirement Programs Committee

Coca-Cola Enterprises Inc.

Atlanta, Georgia:

We have audited the accompanying statement of net assets available for benefits of Coca-Cola Enterprises Inc. Savings and Investment Plan for Certain Bargaining Employees (the Plan) as of December 31, 2005 and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The statement of net assets available for benefits of the Plan as of December 31, 2004 was audited by other auditors whose report dated June 24, 2005, expressed an unqualified opinion on that financial statement.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and the changes in net assets available for benefits for the year ended December 31, 2005, in conformity with accounting principles generally accepted in the United States.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Banks, Finley, White & Co.

College Park, Georgia

June 23, 2006

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Report of Independent Registered Public Accounting Firm

Finance Committee of the Board of Directors

Coca-Cola Enterprises Inc.

We have audited the accompanying statement of net assets available for benefits of Coca-Cola Enterprises Inc. Savings and Investment Plan for Certain Bargaining Employees as of December 31, 2004. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Atlanta, Georgia

June 24, 2005

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Statements of Net Assets Available for Benefits

| | December 31 | |
|--|---------------------|---------------------|
| | 2005 | 2004 |
| Assets | | |
| Investments in Master Trust | \$ 9,017,443 | |
| Participant loans | 504,814 | \$ 464,960 |
| Investments, at fair value | | 8,337,813 |
| Net assets available for benefits | \$ 9,522,257 | \$ 8,802,773 |

See accompanying notes to the financial statements.

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2005

| | |
|---|------------------|
| Additions to net assets attributed to: | |
| Investment income: | |
| Investment income in Master Trust | \$ 97,868 |
| Interest and dividend | 94,129 |
| Net appreciation in fair value of investments | 430,819 |
| Contributions: | |
| Participant | 764,568 |
| Total additions | 1,387,384 |
| Deductions from net assets attributed to: | |
| Net depreciation in fair value of investments in Master Trust | 343,042 |
| Distributions to Participants | 322,318 |
| Administrative expenses | 2,540 |
| Total deductions | 667,900 |
| Net increase in net assets available for benefits | 719,484 |
| Net assets available for benefits: | |
| Beginning of year | 8,802,773 |
| End of year | \$ 9,522,257 |

See accompanying notes to the financial statements.

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements
December 31, 2005

1. Description of the Plan

The following description of the Coca-Cola Enterprises Inc. Savings and Investment Plan for Certain Bargaining Employees (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan was formed effective March 4, 1994 and restated effective January 1, 1997. The Plan is a defined contribution plan, sponsored by Coca-Cola Enterprises Inc. (the Company), covering certain employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended (ERISA).

Eligibility

Each employee who has completed ninety days of service and is eligible for the Plan under the terms of a collective bargaining agreement negotiated between the Company and such bargaining unit, shall become a participant on the entry date (first day of the calendar quarter coincident with or next following employment as an eligible employee) at which time the participant may elect to begin compensation deferrals.

Contributions

The Plan allows a participant to contribute up to 17% of base compensation, as defined, subject to the maximum allowed by the Internal Revenue Code (the Code). A participant may elect to change the rate of pre-tax contributions or suspend all pre-tax contributions at any time. The Company may elect to contribute an amount determined annually by the Company. The Company made no contributions during 2005. All contributions are invested as directed by participants.

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

1. Description of the Plan (continued)

Vesting

Each participant shall always be 100% vested in his or her pre-tax contributions, rollover contributions and earnings thereon.

Participant Accounts

Each participant's account is credited with the participant's contributions, rollover contributions, if any, and allocations of the Plan's earnings and losses. The allocation of earnings and losses is based on participant account balances as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Loans to Participants

Participants who are employed at the time of the loan request, including an employee on leave, may borrow from their accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their vested account balances. Loan terms range from 6 to 60 months and from 6 to 180 months for the purchase of a primary residence. The balance in the participant's account secures the loan and the loan bears interest at the prime rate as published in the Wall Street Journal on the second business day of the month proceeding the date the loan is issued. Principal and interest are generally repaid in equal installments by a payroll deduction each paycheck and applied directly to the participant's account.

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

Withdrawals and Payments of Benefits

Distributions of a participant's fully vested account balance shall be made during the period following his or her retirement, total disability, death or termination of employment.

Distributions to participants shall be made in a single lump sum payment. The amount of distribution under the Plan shall be equal to the participant's vested interest. If the participant has any loan balance at the time of distribution, the amount of cash available to the participant or beneficiary shall be reduced by the outstanding principal balance of the loan.

Voluntary withdrawals from the balance of the participant's pre-tax contribution account become available after the participant attains age 59 $\frac{1}{2}$. Prior to the attainment of age 59 $\frac{1}{2}$, a withdrawal from these accounts would be available only for a financial hardship.

Plan Termination

The Company expects to continue the Plan indefinitely but has the right under the Plan agreement to terminate the Plan. In the event of Plan termination, all participants become fully vested and shall receive a full distribution of their account balances.

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan are prepared using the accrual method of accounting.

Reclassifications

Certain amounts have been reclassified in the Plan's prior year financial statements to conform to the current year presentation.

Valuation of Investments

Effective August 1, 2005 the Plan began participation in the Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust (the Master Trust) with similar retirement plans sponsored by the Company and certain other subsidiaries of the Company, whereby investments are held collectively for all plans by JPMorgan Chase Bank, N.A. (the Trustee). Each participating plan's investment in the Master Trust is equal to the sum of its participant account balances in relation to total Master Trust investments.

Short-term investments are stated at fair value, which approximates cost and is based on quoted redemption values determined by the Trustee, Mutual funds and the common stock of The Coca-Cola Company and Coca-Cola Enterprises Inc. are valued based on quoted market prices on national exchanges on the last business day of the Plan year. Investments in collective trusts are stated at fair value, based on quoted redemption values as determined by the Trustee. Participant loans are valued at their outstanding balances, which approximate fair value.

The INVESCO Stable Value Fund (the INVESCO fund) invests in guaranteed investment contracts (GICs), both traditional and synthetic, and cash equivalents. The synthetic guaranteed investment contracts (SICs) represent a diversified portfolio of corporate and government bonds, 103-12 investment entities, and pooled separate accounts; the underlying values of which are based on quoted redemption value as determined by the Trustee. These assets are held in the name of the Master Trust in conjunction with a corresponding contract (a wrapper) with the issuer of the SIC to provide a rate of return (based on investment experience and reset periodically) on the cost of the investments.

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

Valuation of Investments (continued)

Contracts within the INVESCO fund are fully benefit-responsive and are therefore carried at contract value in accordance with AICPA Statement of Position 94-4, Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined-Contribution Pension Plans. At December 31, 2005, contract value approximated fair value. Contract value represents contributions made under the contracts, plus earnings, less withdrawals and administrative expenses. The weighted-average yield was approximately 4.6% for the year ended December 31, 2005. The crediting interest rate was approximately 4.6% at December 31, 2005. Participants investing in the INVESCO fund are subject to risk of default by issuers of the investment contracts and the specific investments underlying the SICs. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

The fair values of the underlying assets of the SICs and the values of the related wrapper contract are as follows:

| | December 31 2005 |
|--|-----------------------------|
| Fair value of the underlying assets of the SICs: | |
| Fixed income securities | \$ 2,992 |
| Insurance Company Pooled Separate Account | |
| Short Term Investment Fund | 19,210 |
| US Treasury Note | 49,766 |
| 103-12 Investment Entities | 2,186,660 |
| | 2,258,628 |
| Fair value of the related wrapper contracts | 21,640 |
| Contract value | \$ 2,280,268 |

Administrative Expenses

Certain administrative expenses are paid by the Plan, as permitted by the Plan document. All other expenses are paid by the Company.

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Standards

The Plan will adopt the following new accounting pronouncement for the year ending December 31, 2006:

FASB Staff Position (FSP) No. AAG INV-1 and Statement of Position (SOP) 94-1-1 *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*. The FSP and SOP revises the definition of fully benefit-responsive investment contracts as of the last day of annual period ending after December 15, 2006 and sets forth new financial statement presentation and disclosure requirements for such contracts for plan years ending after December 15, 2006. In accordance with the new standards, guaranteed investment contracts meeting the definition within the FSP, while currently reported at contract value (see Valuation of Investments above), must be reported at fair value with adjustments to contract value shown on the face of the financial statements. It is anticipated that the financial statements of the Plan as of and for the year ended December 31, 2006 will meet all reporting and disclosure requirements of the FSP and the SOP.

3. Investments

As of December 31, 2005, the Plan's investment in the Master Trust was \$9,017,443. From August 1 to December 31, 2005, the Plan's investment in the Master Trust (including investments bought, sold, as well as held during the year) depreciated in fair value by \$343,042.

The fair value of investments that individually represent 5% or more of the Plan's net assets at December 31, 2005 is as follows:

| | |
|----------------------------|--------------|
| Investment in Master Trust | \$ 9,017,443 |
|----------------------------|--------------|

Between January 1, 2005 and July 31, 2005, the Plan's investments (including investments purchased, sold as well as held during the year) appreciated in fair value as determined by quoted market price as follows:

| | |
|------------------------|----------------|
| Common stock | \$ 277,923 |
| Collective trust funds | 60,429 |
| Mutual funds | 92,467 |
| Total | \$ 430,819 |

Investments that represent 5% or more of the fair value of the Plan's net assets as of December 31, 2004 are as follows:

| | |
|--|--------------|
| Common Stock of Coca-Cola Enterprises Inc. | \$ 2,184,922 |
| Putnam S&P 500 Index Fund | 1,895,367 |

| | |
|--------------------------|-----------|
| Participant Loans | 464,960 |
| Putnam Stable Value Fund | 2,350,889 |

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

4. Transactions with Parties-in-Interest

Between January 1, 2005 and July 31, 2005, the Plan had the following transactions relating to common stock of Coca-Cola Enterprises Inc.:

| | Shares | Fair Value | Realized Gain |
|--------------------|----------|--------------|---------------|
| Purchases | 9,594 | \$ 202,714 | |
| Sales | (10,695) | \$ (228,808) | \$ 362,647 |
| Dividends received | | \$ 8,344 | |

5. Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust

The Plan's interest in the net assets of the Master Trust was approximately 0.7% at December 31, 2005.

The condensed statement of net assets for the Master Trust is as follows:

| | 2005 |
|---------------------------------|------------------|
| Investments, at fair value: | |
| Common/Collective trust funds | \$ 43,618,332 |
| Registered Investment Companies | 526,298,689 |
| Company Stock | 274,630,754 |
| Corporate Stock | 74,406,506 |
| JPMI Self-Directed Accounts | 10,429,615 |
| Stable Value Fund | 192,149,771 |
| 50/50 Fund | 136,080,530 |
| Net assets | \$ 1,257,614,197 |

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

5. Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust (continued)

The condensed statement of changes in net assets for the Master Trust is as follows:

| | August 1 to December 31, 2005 |
|---|----------------------------------|
| Additions: | |
| Interest and Dividend Income | \$ 23,097,743 |
| Participant Contributions | 33,867,355 |
| Company Contributions | 6,700,484 |
| Total additions | 63,665,582 |
| Deductions: | |
| Transfers out for benefit payments | 42,412,635 |
| Administrative expenses | 312,855 |
| Net loans (issued) | 1,351,422 |
| Net depreciation in fair value of investments | 97,310,428 |
| Total deductions | 141,387,340 |
| Net decrease | 77,721,758 |
| Net assets available for benefits: | |
| Asset transfer from prior trustee 8/1/05 | 1,335,335,955 |
| End of year | \$ 1,257,614,197 |

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

5. Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust (continued)

Investments, including investments bought, sold, as well as held during the year by the Master Trust, appreciated (depreciated) in fair value as follows:

| | Net Appreciation (Depreciation) |
|---------------------------------|--|
| | in Fair Value August 1 to |
| | December 31, 2005 |
| Common/Collective trust funds | \$ 1,099,018 |
| Registered Investment Companies | (963,902) |
| Company Stock | (67,146,913) |
| Corporate Stock | (7,675,335) |
| Stable Value Fund | 3,520,519 |
| 50/50 Fund | (26,143,815) |
| | \$ (97,310,428) |

Between August 1, 2005 and December 31, 2005, the Master Trust had the following transactions relating to common stock of Coca-Cola Enterprises Inc.:

| | Shares | Fair Value | Realized Gain |
|------------------------------|---------------|-------------------|----------------------|
| Purchases | 932,572 | \$ 18,585,516 | |
| Sales | (2,541,283) | \$ (50,344,890) | \$ 3,710,083 |
| Dividends received | | \$ 1,246,562 | |
| Balance at December 31, 2005 | 14,311,364 | \$ 274,630,754 | |

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
Notes to Audited Financial Statements (continued)

5. Coca-Cola Enterprises Inc. Defined Contribution Plans Master Trust (continued)

Between August 1, 2005 and December 31, 2005, the Master Trust had the following transactions relating to common stock of The Coca-Cola Company:

| | Shares | Fair Value | Realized Gain |
|------------------------------|-----------|-----------------|---------------|
| Purchases | 26,308 | \$ 1,109,999 | |
| Sales | (260,086) | \$ (11,178,863) | \$ 4,095,461 |
| Dividends received | | \$ 1,110,000 | |
| Balance at December 31, 2005 | 1,845,858 | \$ 74,406,506 | |

6. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated May 19, 2003, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

7. Risks and Uncertainties

The Master Trust invests in various investment securities as directed by participants. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

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Supplemental Schedule

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Coca-Cola Enterprises Inc.
Savings and Investment Plan
for Certain Bargaining Employees
EIN: 58-0503352 Plan Number: 016
Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
December 31, 2005

| | |
|--------------------------------|-------------------|
| * LOANS TO PARTICIPANTS | \$ 504,814 |
|--------------------------------|-------------------|

* Parties in Interest