

COCA COLA ENTERPRISES INC

Form 11-K

June 29, 2006

Table of Contents

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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**

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**FORM 11-K**

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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**

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

**COCA-COLA ENTERPRISES BARGAINING EMPLOYEES 401(K) PLAN**

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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**Table of Contents**

The Coca-Cola Enterprises Bargaining Employees 401(K) Plan (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

**Table of Contents**

**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 BARGAINING  
EMPLOYEES 401(K) PLAN**

(Name of Plan)

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

Date: June 27, 2006

**Table of Contents**

**Exhibit Index**

<b>Exhibit Number</b>	<b>Description</b>
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

**Table of Contents**

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

Coca-Cola Enterprises Bargaining Employees 401(k) Plan

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

*with Reports of Independent Registered Public Accounting Firms*

**Table of Contents**

Coca-Cola Enterprises Bargaining Employees 401(k) Plan

Financial Statements

And Supplemental Schedule

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

**Contents**

<u>Report of Independent Registered Public Accounting Firm (Banks, Finley, White &amp; Co.)</u>	1
<u>Report of Independent Registered Public Accounting Firm (Ernst &amp; Young LLP)</u>	2
Financial Statements	
<u>Statements of Net Assets Available for Benefits</u>	3
<u>Statement of Changes in Net Assets Available for Benefits</u>	4
<u>Notes to Financial Statements</u>	5
<u>Supplemental Schedule</u>	14
<u>Schedule H, Line 4i Schedule of Assets (Held at End of Year)</u>	15

**Table of Contents**

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 Bargaining Employees 401(k) Plan (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 the 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



**Table of Contents**

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 Bargaining Employees 401(k) Plan 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

**Table of Contents**

Coca-Cola Enterprises Bargaining Employees 401(k) Plan

Statements of Net Assets Available for Benefits

	December 31	
	2005	2004
<b>Assets</b>		
Investment in Master Trust	<b>\$ 38,579,286</b>	
Participant loans	<b>1,979,338</b>	\$ 1,994,530
Investments, at fair value		37,462,680
<b>Net assets available for benefits</b>	<b>\$ 40,558,624</b>	<b>\$ 39,457,210</b>

*See accompanying notes to the financial statements.*

**Table of Contents**

Coca-Cola Enterprises Bargaining Employees 401(k) Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2005

**Additions to net assets attributed to:**

Investment income:	
Net appreciation in fair value of investments	\$ 1,354,623
Investment income in Master Trust	658,464
Interest and dividend	485,229
Contributions:	
Employer	346,070
Participant	1,805,108
<b>Total additions</b>	<b>4,649,494</b>

**Deductions from net assets attributed to:**

Net depreciation in fair value of investments in Master Trust	513,019
Distributions to Participants	2,932,389
Transfer to other Company-sponsored plan	94,454
Administrative expenses	8,218
<b>Total deductions</b>	<b>3,548,080</b>

Net increase in net assets available for benefits	1,101,414
Net assets available for benefits:	
Beginning of year	39,457,210
End of year	\$ 40,558,624

*See accompanying notes to the financial statements.*

**Table of Contents**

Coca-Cola Enterprises Bargaining Employees 401(k) Plan

Notes to Audited Financial Statements

December 31, 2005

**1. Description of Plan**

The following description of the Coca-Cola Enterprises Bargaining Employees 401(k) Plan (the Plan ) provides only general information. Participants should refer to the Plan Summary Plan Description for a more comprehensive description of the Plan s provisions.

**General**

The Plan is sponsored by Hondo, Incorporated, a wholly owned subsidiary of Coca-Cola Enterprises Inc. (the Company ).

The Plan was formed effective July 1, 1984 and restated effective January 1, 1997. The Plan is a defined contribution plan 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).

**Contributions**

The Plan allows a participant to contribute from 1% to 15% of compensation, as defined. The Company matches participant contributions as provided for in the various collective bargaining agreements. Contributions are subject to certain Internal Revenue Code (the Code ) limitations. All contributions are invested as directed by participants.

**Eligibility**

Each employee who 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 (the first day of the calendar quarter following date of hire) at which time the participant may elect to begin compensation deferrals.

**Vesting**

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company s matching contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after three years of credited service. All participants become fully vested in the Company match upon death, total disability or retirement.

**Table of Contents**

Coca-Cola Enterprises Bargaining Employees 401(k) Plan

Notes to Audited Financial Statements (continued)

**Participant Accounts**

Each participant's account is credited with the participant's contributions, rollover contributions, if any, and allocations of the Company's contribution and Plan investment results; however, each account is also charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. The balance of forfeited nonvested accounts was approximately \$115,202 and \$86,152 as of December 31, 2005 and 2004, respectively.

**Participant Loans**

Participants may borrow from their fund accounts a minimum of \$1,000 and up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms generally range from one to five years and extend up to 15 years for principal residence loans. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with the interest rates charged by persons in the business of lending money for loans which would be made under similar circumstances. Principal and interest are paid ratably through payroll deductions and the interest paid is applied directly to the participant's account balance.

**Withdrawals and Benefit Payments**

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 or a series of installments over a certain period measured by the life expectancy of the participant. The amount of distribution under the Plan shall be equal to the participant's vested account balance. 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.

Prior to retirement, a withdrawal from the balance of a participant's pre-tax contribution account would be available only for a financial hardship.

**Table of Contents**

Coca-Cola Enterprises Bargaining Employees 401(k) Plan

Notes to Audited Financial Statements (continued)

**Plan Termination**

The Company expects to continue the Plan indefinitely but has the right under the Plan agreement to discontinue contributions at any time and 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.

**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 ( 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.

**Table of Contents**

## Coca-Cola Enterprises Bargaining Employees 401(k) Plan

## 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:

	<b>December 31</b>
	<b>2005</b>
Fair value of the underlying assets of the SICs:	
Fixed income securities	\$ 12,032
Insurance Company Pooled Separate Account	
Short Term Investment Fund	77,249
US Treasury Note	200,121
103-12 Investment Entities	8,793,134
	9,082,536
Fair value of the related wrapper contracts	87,021
Contract value	\$ 9,169,557

**Administrative Expenses**

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

**Table of Contents**

## Coca-Cola Enterprises Bargaining Employees 401(k) Plan

## 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 \$38,579,286. 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 \$513,019.

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	\$ 38,579,286
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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:

Mutual funds	\$ 795,548
Collective trust funds	46,160
Common stock	512,915
	\$ 1,354,623

Individual 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 The Coca-Cola Company	\$ 8,604,467
Putnam Fiduciary Trust Company:	
Asset Allocation: Balanced Fund	7,225,674
Investors Fund	2,748,667
Stable Value Fund	8,759,367
Vista Fund	2,484,541
Participant Loans	1,994,530





**Table of Contents**

## Coca-Cola Enterprises Bargaining Employees 401(k) Plan

## 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	9,108	\$ 194,944	
Sales	(8,923)	\$ (190,004)	\$ 65,482
Dividends received		\$ 2,757	

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

	Shares	Fair Value	Realized Loss
Purchases	3,506	\$ 147,217	
Sales	(16,241)	\$ (686,006)	\$ (1,664,360)
Dividends received		\$ 110,663	

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

The Plan's interest in the net assets of the Master Trust was approximately 3.1% 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

**Table of Contents**

## Coca-Cola Enterprises Bargaining Employees 401(k) Plan

## 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:

	<b>August 1 to December 31, 2005</b>
<b>Additions:</b>	
Interest and Dividend Income	\$ 23,097,743
Participant Contributions	33,867,355
Company Contributions	6,700,484
<b>Total additions</b>	<b>63,665,582</b>
<b>Deductions:</b>	
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
<b>Total deductions</b>	<b>141,387,340</b>
Net decrease	77,721,758
<b>Net assets available for benefits:</b>	
Asset transfer from prior trustee 8/1/05	1,335,335,955
<b>End of year</b>	<b>\$ 1,257,614,197</b>

**Table of Contents**

## Coca-Cola Enterprises Bargaining Employees 401(k) Plan

## 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:

	<b>Net Appreciation (Depreciation) in Fair Value August 1 to December 31, 2005</b>	
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.:

	<b>Shares</b>	<b>Fair Value</b>	<b>Realized Gain</b>
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	

**Table of Contents**

## Coca-Cola Enterprises Bargaining Employees 401(k) Plan

## 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 9, 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.

**Table of Contents**

Supplemental Schedule

14

**Table of Contents**

Coca-Cola Enterprises Bargaining Employees 401(k) Plan

EIN: 35-1526476 Plan Number: 003

Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

December 31, 2005

**\*LOANS TO PARTICIPANTS** \$ 1,979,338

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\* Parties in Interest