

Sonoco Holdings UK Limited
Annual report
for the year ended 31 December 2006

Registered Number 3739940



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for the year ended 31 December 2006

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Sonoco Holdings UK Limited

Directors and advisors

Directors

C J Hupfer
D A Collins
T J Nash
K J Kirakopoulos

Secretary

D A Collins

Auditors

PricewaterhouseCoopers LLP
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Solicitors

Cobbetts
38 Mosley Street
Manchester
M2 3HZ

Bankers

Deutsche Bank AG
Global Banking Division
6 Bishopsgate
London
EC2N 4DA

Registered Office

Station Road
Milnrow
Rochdale
Lancashire
OL16 4HQ

Registered Number

3739940

Sonoco Holdings UK Limited

Directors' report for the year ended 31 December 2006

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

Principal activities and review of business

The company acts as an intermediate holding company for the United Kingdom subsidiaries of the Sonoco Products Company group. The company did not trade during the year.

The directors have assessed the recoverability of the company's investments based on the future cash flows of these operations and as such have impaired the company's investments by £14.9m (2005: £nil). The future cash flows were discounted using a rate of 11%.

Dividends

The directors do not propose the payment of an interim dividend in respect of the year ended 31 December 2006 (2005: £23.4 per share). The directors are unable to recommend the payment of a final dividend (2005: £nil).

Principal Risks and Uncertainties

The Company has no exposure to risk other than the underlying value of the company's investments.

Directors and their interests

The directors who held office during the year are given below:

C J Hupfer
D A Collins
T J Nash
K J Kiriakopoulos

The directors who held office at the date of approval of the financial statements are shown on page one. None of the directors who held office at 31 December 2006 had any interest in the shares of group companies which are required to be disclosed in this report.

Charitable and Political Contributions

The Company made no political or charitable donations during the year (2005: £nil).

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 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.

Sonoco Holdings UK Limited

Statement of disclosure of information to auditors

Each director of the Company, in office at the time of approval of this report, acknowledges that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to remain in office and a resolution concerning their reappointment will be proposed at the annual general meeting

By order of the board



D A Collins
Company Secretary
9 July 2007

Sonoco Holdings UK Limited

Independent auditors' report to the members of Sonoco Holdings UK Limited

We have audited the financial statements of Sonoco Holdings UK Limited for the year ended 31 December 2006 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 31 December 2006 and of its loss for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
9 July 2007

Sonoco Holdings UK Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006	2005
		£'000	£'000
Impairment of investment		(14,889)	
Loss on ordinary activities before taxation		(14,889)	-
Tax on profit on ordinary activities		-	-
Loss for the financial year	9	(14,889)	-

All of the results shown above relate to continuing activities

The company had no recognised gains and losses other than the profits shown above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Sonoco Holdings UK Limited

Balance sheets as at 31 December 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Investments	4	30,200	45,089
Current assets			
Debtors	5	2,598	2,598
Creditors amounts falling due within one year	6	(2,609)	(2,609)
Net current liabilities		(11)	(11)
Total assets less current liabilities		30,189	45,078
Capital and reserves			
Called up share capital	7	100	100
Share premium account	8	33,228	33,228
Profit and loss account	8	(3,139)	11,750
Equity shareholders' funds	9	30,189	45,078

The financial statements on pages 5 to 10 were approved by the board of directors on 9 July 2007 and were signed on its behalf by



D A Collins
Director

Sonoco Holdings UK Limited

Accounting policies

Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently are set out below.

Basis of accounting

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

Group financial statements

The financial statements contain information about Sonoco Holdings UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228a of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included within the consolidated financial statements of Sonoco Products Company whose financial statements are prepared in a manner equivalent to the EU 7th Directive.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Sonoco Products Company whose financial statements are publicly available.

Investments

Investments are held at cost less provisions for impairment in value.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised where the recoverability against future taxable profits is considered to be more likely than not.

Sonoco Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2006

1 Directors' emoluments

None of the directors received any remuneration during the period from the company (2005 £nil)

2 Tax on profit on ordinary activities

There is no charge to taxation in either the current year or the previous accounting period

There is no difference between tax assessed and the standard rate of corporation tax in the UK (30%)

3 Dividends

	2006 £'000	2005 £'000
Interim paid £nil (2005 £23 4) per £1 ordinary share	-	2,338

4 Investments – shares in subsidiary undertakings

	£'000
Cost	
At 1 January 2006	45,089
Impairment charge	(14,889)
At 31 December 2006	30,200

The director's have assessed the recoverability of the company's investments based on the future cash flows of these operations and as such have impaired the company's investments by £14 9m (2005 £nil) The future cash flows were discounted using a rate of 11%

Interests in group undertakings

The company's non-dormant subsidiaries as at 31 December 2006, all of which are wholly owned, are as follows

Name of undertaking	Country of Registration	Description of shares held	Principal activities
Sonoco Milnrow	England and Wales	Ordinary £1 shares	Intermediate holding company
Sonoco Products Company UK *	England and Wales	Ordinary £1 shares	Intermediate holding company
Sonoco Limited **	England and Wales	Ordinary £1 shares	Production and conversion of packaging materials

* Shares held by Sonoco Milnrow

** Shares held by Sonoco Products Company UK

Sonoco Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2006

5 Debtors

	2006	2005
	£'000	£'000
Amounts falling due within one year		
Amounts due from group undertakings	2,598	2,598

At 31 December 2006 £135,000 (2005 £135,000) of the amounts due from group undertaking are interest bearing

6 Creditors: amounts falling due within one year

	2006	2005
	£'000	£'000
Amounts due to group undertakings	2,609	2,609

At 31 December 2006, £962,000 (2005 £962,000) of the amounts due to group undertaking are interest bearing

The ultimate parent company, Sonoco Products Company, has provided certain guarantees in respect of bank borrowings and similar facilities

7 Called up share capital

	2006	2005
	£'000	£'000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100,000 ordinary shares of £1 each	100	100

8 Share premium account and reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2006	33,228	11,750
Retained loss for the financial year	-	(14,889)
At 31 December 2006	33,228	(3,139)

Sonoco Holdings UK Limited

Notes to the financial statements for the year ended 31 December 2006

9 Reconciliation of movements in equity shareholders' funds

	2006	2005
	£'000	£'000
Opening equity shareholders' funds	45,078	47,416
Loss for the year	(14,889)	
Dividends	-	(2,338)
Closing equity shareholders' funds	30,189	45,078

10 Related party transactions

As a wholly owned subsidiary, the company has taken advantage of the exemption under FRS 8 not to disclose intra-group transactions

11 Ultimate parent company and controlling party

The company's ultimate holding company and controlling party is Sonoco Products Company, which is incorporated in the United States of America. Copies of the ultimate parent's consolidated financial statements which is the smallest and largest company to consolidate these financial statements may be obtained from The Secretary, Sonoco Products Company, Hartsville, South Carolina 29550, USA.