

Sonoco Holdings UK Limited
Annual report
for the year ended 31 December 2003

Registered Number 3739940



Sonoco Holdings UK Limited
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for the year ended 31 December 2003

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Sonoco Holdings UK Limited

Directors and advisors

Directors

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

Secretary

D A Collins

Auditors

PricewaterhouseCoopers LLP
101 Barbirolli Square
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Manchester
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Solicitors

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King Street
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OL16 4HQ

Registered Number

3739940

Sonoco Holdings UK Limited

Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements for the year ended 31 December 2003.

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 group's principal activity during the year was the production and conversion of materials for the packaging industry.

The successful development of the business continued during the year and the directors believe that further progress will be made in the year to 31 December 2004.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2003 (2002: £Nil).

Directors and their interests

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

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

Mr S D Joshua resigned as a director on 29 June 2004.

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 2003 had any interest in the shares of group companies which are required to be disclosed in this report.

Charitable donations

The group made charitable donations of £3,358 (2002: £3,987) during the year.

Employees

The directors recognise the importance of good communications with employees and inform and consult with employees' representatives on matters likely to affect them, including those matters affecting the financial performance of the group.

It is the group's policy to employ disabled persons whenever practically possible and the training, career development and promotion of disabled employees, as far as possible, is identical to that of other employees. Wherever possible this includes the retraining and retention of staff who become disabled during their employment.

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 group and of the profit or loss of the group for that year. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company and group will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently, as explained on pages 7 and 8 under "Accounting policies". They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

Sonoco Holdings UK Limited

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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
31 January 2005

Sonoco Holdings UK Limited

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

We have audited the financial statements which comprise the consolidated profit and loss account, the balance sheets and the related notes.

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.

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.

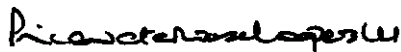
Basis of audit opinion

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 affairs of the company and the group at 31 December 2003 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
31 January 2005

Sonoco Holdings UK Limited

Consolidated profit and loss account for the year ended 31 December 2003

	Notes	2003 £'000	2002 £'000
Turnover	1	88,125	91,547
Cost of sales		(72,755)	(80,318)
Gross profit		15,370	11,229
Distribution costs		(4,636)	(3,287)
Administrative expenses before exceptional items		(8,124)	(5,813)
Exceptional administrative expenses	2	(1,942)	(4,609)
Total administrative expenses		(10,066)	(10,422)
Operating profit/(loss)		668	(2,480)
Interest receivable		57	24
Interest payable and similar charges	5	(903)	(1,072)
Loss on ordinary activities before taxation	6	(178)	(3,528)
Tax on loss on ordinary activities	7	(974)	372
Loss for the financial year		(1,152)	(3,156)
Accumulated losses brought forward		(17,765)	(14,609)
Accumulated losses carried forward		(18,917)	(17,765)

All activities in the years shown above relate to continuing operations.

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

The group had no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

Sonoco Holdings UK Limited

Balance sheets as at 31 December 2003

	Notes	Group		Company	
		2003 £'000	2002 £'000	2003 £'000	2002 £'000
Fixed assets					
Intangible assets	9	8,431	9,085	-	-
Tangible assets	10	21,136	23,213	-	-
Investments	11	-	-	47,427	47,427
		29,567	32,298	47,427	47,427
Current assets					
Stocks	12	6,022	6,045	-	-
Debtors	13	13,439	15,063	2,598	2,598
Cash at bank and in hand		2,621	447	1	1
		22,082	21,555	2,599	2,599
Creditors: amounts falling due within one year	14	(36,022)	(37,329)	(2,610)	(2,610)
Net current liabilities		(13,940)	(15,774)	(11)	(11)
Total assets less current liabilities		15,627	16,524	47,416	47,416
Creditors: amounts falling due after more than one year	15	(92)	-	-	-
Provisions for liabilities and charges	16	(1,124)	(961)	-	-
Net assets		14,411	15,563	47,416	47,416
Capital and reserves					
Called up share capital	18	100	100	100	100
Share premium account	19	33,228	33,228	33,228	33,228
Profit and loss account	19	(18,917)	(17,765)	14,088	14,088
Equity shareholders' funds	20	14,411	15,563	47,416	47,416

The financial statements on pages 5 to 20 were approved by the board of directors on 31 January 2005 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 applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

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

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the parent company and of all its subsidiaries and exclude all transactions between group companies.

Investments in subsidiary companies are stated at cost except where the directors consider there to have been an impairment in value. All principal subsidiaries have coterminous year ends.

Cash flow statement

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

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiaries is capitalised and amortised through the profit and loss account over a period of up to 20 years, which is considered to be its useful economic life. Provisions for impairment of goodwill are made when necessary.

Tangible and intangible fixed assets

The cost of fixed assets and intangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is provided on all tangible and intangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Freehold buildings	over 40 years
Leasehold land and buildings	over the lease term
Plant and machinery	over 4 to 10 years
Licences	17 years

Investments

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

Operating leases

Rentals paid under operating leases are charged to profit and loss account on a straight line basis.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes, in the case of manufactured goods and work in progress, all direct expenditure and production overheads based on the normal level of activity. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Government grants

Grants of a revenue nature are credited to income in the year to which they relate. Grants that relate to specific capital expenditure are treated as deferred income which is credited to the profit and loss account over the related asset's useful life.

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Foreign currencies

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.

Turnover

Turnover represents the value of goods sold and services provided excluding value added tax. Turnover is recognised at the point of despatch of non-returnable goods to customers, or at the completion of the performance of services. Turnover is disclosed gross of carriage costs.

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pensions

The expected annual cost of the pension benefits is calculated on the advice of actuaries as a regular pension cost which, subject to variation, is charged to the profit and loss account. Variations from regular pension costs are spread over the expected remaining service lives of members of the scheme.

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Notes to the financial statements for the year ended 31 December 2003

1 Analysis of turnover by geographical area

	2003 £'000	2002 £'000
United Kingdom	76,760	84,078
Rest of Europe	9,962	7,388
America	406	-
Middle East	69	71
Australia and Far East	928	10
	88,125	91,547

2 Exceptional administrative expenses

Exceptional costs of £1,942,000 relate to restructuring of plants acquired as part of the Smurfit Tubes acquisition in December 2001. The principal costs incurred were redundancy and termination costs amounting to £1,629,000. The exceptional item in 2002 of £4,609,000 comprised restructuring charges of £2,254,000 and an impairment charge of £2,355,000 against goodwill.

3 Directors' emoluments

	2003 £'000	2002 £'000
Aggregate emoluments	332	152
Highest-paid director Aggregate emoluments	127	57
Defined benefit pension scheme: Accrued pension at end of year	-	22

At 31 December 2003 retirement benefits were accruing to three directors (2002: four) under the group's defined benefit pension scheme.

4 Employee information

The average weekly number of persons (including executive directors) employed by the group during the year was:

By activity	2003 Number	2002 Number
Office and management	256	174
Manufacturing	575	683
	831	857

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4 Employee information (continued)

	2003	2002
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	18,803	19,208
Social security costs	1,738	1,632
Other pension costs (note 17)	2,627	848
	23,168	21,688

5 Interest payable and similar charges

	2003	2002
	£'000	£'000
On bank overdrafts and other loans	34	81
On amounts payable to group companies	856	991
On finance leases	13	-
	903	1,072

6 Loss on ordinary activities before taxation

	2003	2002
	£'000	£'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Loss on disposal of tangible fixed assets	104	100
Auditors' remuneration for:		
Audit services (Company £14,000; 2002: £13,500)	69	72
Non-audit services	60	177
Amortisation of intangible fixed assets	654	654
Impairment of goodwill	-	2,355
Depreciation charge for the year:		
Tangible owned fixed assets	3,736	3,795
Tangible fixed assets held under finance leases	41	-
Hire of plant and machinery - operating leases	475	582
Hire of other assets - operating leases	392	521
Release of government grants	(29)	(20)

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7 Tax on loss on ordinary activities

	2003 £'000	2002 £'000
Current tax:		
UK corporation tax	811	-
Overprovision in respect of previous periods	-	(200)
Deferred tax:	811	(200)
Origination and reversal of timing differences	163	(172)
Taxation charge / (credit)	974	(372)

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £'000	2002 £'000
Loss on ordinary activities before taxation	(178)	(3,528)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	(53)	(1,058)
Effects of:		
Expenses not deductible for tax purposes	1,070	1,484
Group relief claimed without payment	(13)	(50)
Accelerated capital allowances and other timing differences	(193)	(376)
Overprovision in respect of previous periods	-	(200)
Current tax charge / (credit) for the year	811	(200)

8 Profit for the financial year

As permitted by Section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The parent company's profit for the year was £nil (2002: £nil).

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9 Intangible fixed assets

Group	Licences £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2003 and 31 December 2003	1,843	16,914	18,757
Amortisation			
At 1 January 2003	1,843	7,829	9,672
Provided during the year	-	654	654
At 31 December 2003	1,843	8,483	10,326
Net book value			
At 31 December 2003	-	8,431	8,431
At 31 December 2002	-	9,085	9,085

Licences represent the rights of group companies to sell certain paper based products across mainland Europe. Royalty income is paid to the UK group by fellow group companies in respect of sales made. Due to the low level of royalty income receivable, the asset value is impaired and has been written down accordingly.

10 Tangible fixed assets

Group	Land and buildings £'000	Plant and machinery £'000	Construction in progress £'000	Total £'000
Cost				
At 1 January 2003	10,071	47,576	1,130	58,777
Additions	90	995	809	1,894
Disposals	(69)	(728)	-	(797)
Transfers	-	617	(617)	-
At 31 December 2003	10,092	48,460	1,322	59,874
Depreciation				
At 1 January 2003	4,001	31,563	-	35,564
Provided during the year	323	3,454	-	3,777
Disposals	(26)	(577)	-	(603)
At 31 December 2003	4,298	34,440	-	38,738
Net book value				
At 31 December 2003	5,794	14,020	1,322	21,136
At 31 December 2002	6,070	16,013	1,130	23,213

The net book value of tangible fixed assets includes assets held under finance leases with a book value of £149,000 (2002: £nil).

The company has no tangible fixed assets.

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10 Tangible fixed assets (continued)

The net book value of land and buildings comprises:

	2003 £'000	2002 £'000
Freehold	5,794	6,024
Long leasehold	-	46
	5,794	6,070

11 Investments – shares in subsidiary undertakings

	Company £'000
Cost	
At 31 December 2003 and 31 December 2002	47,427

Interests in group undertakings

The company's non-dormant subsidiaries as at 31 December 2003, 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.

12 Stocks

	Group 2003 £'000	2002 £'000
Raw materials and consumables	4,468	2,554
Work in progress	434	3,428
Finished goods and goods for resale	1,120	63
	6,022	6,045

The company has no stocks.

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13 Debtors

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	9,555	10,662	-	-
Other debtors	197	1,876	-	-
Amounts due from group undertakings	2,091	2,122	2,598	2,598
Prepayments and accrued income	1,596	403	-	-
	13,439	15,063	2,598	2,598

Other debtors include a pensions prepayment as shown below:

	£'000	Pensions and similar obligations £'000
At 1 January 2003		1,445
Regular pension cost	(877)	
Interest on prepayment	88	
Variation from regular cost	(1,838)	
Total pension cost (note 17)		(2,627)
Employer contributions		1,288
At 31 December 2003		106

14 Creditors: amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Obligations under finance leases	56	-	-	-
Trade creditors	8,621	7,111	-	-
Amounts due to group undertakings	21,328	22,724	2,610	2,610
Corporation tax	611	-	-	-
Other taxes and social security	2,119	2,050	-	-
Other creditors	1,910	3,034	-	-
Accruals and deferred income	1,377	2,410	-	-
	36,022	37,329	2,610	2,610

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

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14 Creditors: amounts falling due within one year (continued)

Accruals and deferred income include the following amounts in respect of government grants:

	£'000
At 1 January 2003	329
Released to profit and loss account	(29)
At 31 December 2003	300

15 Creditors: amounts falling due after more than one year

	Group	
	2003	2002
	'000	'000
Obligations under finance leases	92	-

The company had no creditors falling due after more than one year.

Obligations under finance leases fall due for payment as follows:

	2003	2002
	'000	'000
Amounts payable:		
Within one year	56	-
In two to five years	92	-
	148	-

16 Provisions for liabilities and charges

Deferred taxation

	£'000
At 1 January 2003	961
Profit and loss account	163
At 31 December 2003	1,124

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16 Provisions for liabilities and charges (continued)

	Amount provided		Total potential liability	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	885	722	885	722
Losses carried forward	-	-	-	(50)
Short term timing differences	(219)	(195)	(219)	(195)
Capital gains	-	-	525	525
Pension prepayment	458	434	458	434
	1,124	961	1,649	1,436

Deferred taxation is not provided where potentially taxable capital gains have been rolled over into replacement assets. At present, it is not envisaged that any tax will become payable in respect of the unprovided capital gains disclosed above for the foreseeable future.

17 Pension obligations

Throughout the year, the United Kingdom group of companies operated a funded, defined benefit pension scheme (the Sonoco UK Retirement Benefits Plan (the 'Plan')). Most members contribute a proportion of salary to the Plan and all members are provided with benefits based on final pensionable salary. The assets of the Plan are held independently from the company and are administered by the trustees. The Plan is subject to an actuarial valuation at regular intervals.

SSAP24

The last formal valuation of the Plan was at 1 January 2003 and was undertaken by a professionally qualified actuary using the projected unit method. The principal actuarial assumptions made were as follows:

	% p.a.
Inflation	2.3
Rate of general long-term increase in salaries	4.3
Rate of increase in pensions in payment	2.1 to 3.2
Discount rate for scheme liabilities	6.1

At 1 January 2003 the market value of the assets of the Plan was £56.2 million and the funding level was 75%, including allowance in the calculation of liabilities for expected increases in earnings and future expected pension increases.

The pension cost for the year of £2,627,000 (2002: £848,000). The pension cost for Sonoco Products Company UK was assessed in accordance with the advice of an independent professionally qualified actuary using the projected unit method and the actuarial assumptions for the last valuation of the plan.

FRS 17

The FRS 17 calculations for disclosure purposes have been prepared by a qualified independent actuary. The major assumptions used by the actuary were:

	2003	2002	2001
Discount rate	5.5%	5.6%	6.0%
Rate of increase in salaries	3.5%	4.3%	4.7%
Rate of increase in pensions in payment	3.0%	2.1%	2.5%
Inflation assumption	3.0%	2.3%	2.7%

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17 Pension obligations (continued)

The assets are invested with Barclays Global Investors Limited and Schroder Investment Management Limited. The assets in the Plan (excluding AVCs) and the expected rates of return were:

	2003		2002		2001	
	Market value £'000	Long-term expected rate of return	Market value £'000	Long-term expected rate of return	Market value £'000	Long-term expected rate of return
Equities and property	47,543	8.0%	41,004	8.0%	54,350	8.0%
Cash	1,503	3.75%	1,529	3.75%	460	4.0%
Bonds	14,551	5%	13,463	5%	15,249	5.5%
Total	63,597		55,996		70,059	

The following amounts were measured in accordance with the requirements of FRS 17:

	2003 £'000	2002 £'000
Total market value of assets	63,597	55,996
Present value of Plan liabilities	(89,034)	(80,275)
Plan deficit	(25,437)	(24,279)
Related deferred tax asset	7,631	7,284
Net pension liability	(17,806)	(16,995)

Had the above amounts been recognised in these financial statements, the group's net assets and profit and loss reserves would be as follows:

	2003 £'000	2002 £'000
Net assets excluding net pension liability	14,411	15,563
SSAP 24 pension prepayment	(106)	(1,445)
Deferred tax on SSAP24 pension prepayment	32	434
Net pension liability	(17,806)	(16,995)
Net liabilities including pension liability	(3,469)	(2,443)
Profit and loss reserve excluding net pension liability	(18,917)	(17,765)
SSAP 24 pension prepayment	(106)	(1,445)
Deferred tax on SSAP24 pension prepayment	32	434
Net pension liability	(17,806)	(16,995)
Profit and loss reserve including net pension liability	(36,797)	(35,771)

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17 Pension obligations (continued)

The following amounts would have been recognised in the performance statements in the year to 31 December 2003 under the requirements of FRS 17:

Operating profit	2003	2002
	£'000	£'000
Current service cost	1,007	1,087
Other financial income	2003	2002
	£'000	£'000
Expected return on pension scheme assets	3,957	5,104
Interest on pension scheme liabilities	(4,451)	(4,484)
Net return	(494)	620
Statement of total recognised gains and losses (STRGL)	2003	2002
	£'000	£'000
Actual return less expected return on pension scheme assets	5,097	(16,437)
Experience gains and losses arising on the scheme liabilities	(113)	(729)
Changes in the assumptions underlying the present value of the scheme's liabilities	(5,929)	(1,549)
Actuarial loss recognised in STRGL	(945)	(18,715)
Movement in deficit during the year	2003	2002
	£'000	£'000
Deficit in scheme at beginning of the year	(24,279)	(5,905)
Movement in year:		
Current service cost	(1,007)	(1,087)
Employer contributions	1,288	808
Other financial income	(494)	620
Actuarial loss	(945)	(18,715)
Deficit in scheme at end of year	(25,437)	(24,279)
The group is currently making contributions to the scheme of £174,000 per month.		
The history of experience gains and losses is:		
	2003	2002
Difference between the expected and actual return on scheme assets:		
Amount (£'000)	5,097	(16,437)
Percentage of scheme assets at end of year	8%	(29)%
Experience gains and losses on scheme liabilities:		
Amount (£'000)	(113)	(729)
Percentage of the present value of scheme liabilities at end of year	0.1%	1%
Total amount recognised in statement of total recognised gains and losses:		
Amount (£'000)	(945)	(18,715)
Percentage of the present value of scheme liabilities at end of year	1%	23%

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18 Called up share capital

	2003 £'000	2002 £'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

19 Share premium account and reserves

Group

	Share premium account £'000	Profit and loss account £'000
At 1 January 2003	33,228	(17,765)
Loss for the financial year	-	(1,152)
At 31 December 2003	33,228	(18,917)

Company

At 31 December 2003 and 1 January 2003	33,228	14,088
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20 Reconciliation of movements in equity shareholders' funds

	2003 £'000	2002 £'000
Opening equity shareholders' funds	15,563	18,719
Loss for the financial year	(1,152)	(3,156)
Closing equity shareholders' funds	14,411	15,563

21 Capital commitments

	2003 £'000	2002 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	195	509

Sonoco Holdings UK Limited

22 Financial commitments

At 31 December 2003 the group had annual commitments under non-cancellable operating leases as follows:

	2003		2002	
	Land and buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiring within one year	29	135	-	70
Expiring between two and five years	-	660	48	461
Expiring in over five years	473	-	335	12
	502	795	383	543

23 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. There have been no other related party transactions.

24 Ultimate parent company and controlling party

The company's ultimate parent 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 may be obtained from The Secretary, Sonoco Products Company, Hartsville, South Carolina 29550, USA.