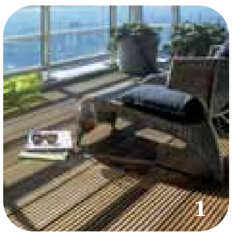
JAMES LATHAM PLC

ANNUAL REPORT & ACCOUNTS 2010

JAMES latham THE NATURAL CHOICE

Contents



Front cover:

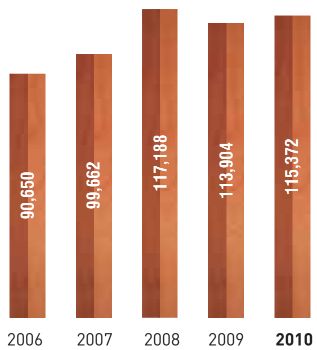
1 *Hardwood decking*
2 *Acacia Mangium hardwood flooring*
3 *HI-MACS® Acrylic Stone panels*
4 *Advanced Technical Panels*

Financial Highlights for the year ended 31 March 2010

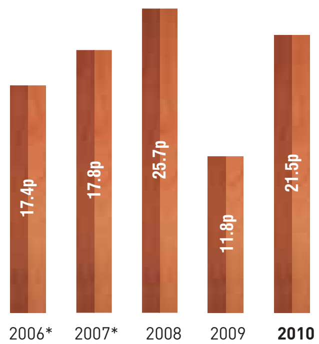
Financial Highlights

Year to 31 March	2010 £000	2009 £000	Increase/ (Decrease)	2008 £000
Turnover	115,372	113,904	1.3%	117,188
Operating profit	6,437	3,812	68.9%	6,612
Operating margin	5.6%	3.3%	69.7%	5.6%
Profit before taxation	5,587	4,172	33.9%	7,124
Earnings per share	21.5p	11.8p	82.2%	25.7p
Total ordinary dividend per share	7.75p	6.25p	24.0%	8.6p
Equity shareholders' funds	42,235	41,891	0.8%	42,121
Cash and cash equivalents	10,545	10,718	(1.6%)	8,625

Turnover (£000's)
(on continuing operations)

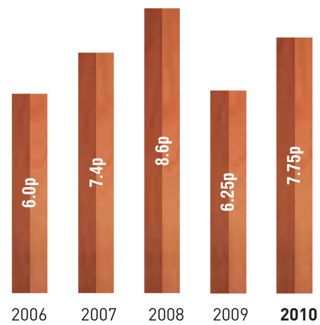


EPS
(excluding exceptional items)



** EPS shown under UK GAAP*

Dividend
(excluding special dividends)



Special Dividends
7.0p n/a n/a n/a n/a

Financial Calendar

Record date for final dividend 2010	6 August 2010
AGM	25 August 2010
Payment of final dividend	27 August 2010
Interim 2010/11 results announcement	25 November 2010
Interim dividend expected payment date	21 January 2011
Preliminary announcement of 2010/11 results	23 June 2011
AGM 2011	23 August 2011

Chairman's Statement

Results

In what has been another difficult year for the economy as a whole, I am pleased to report the results for the financial year to 31 March 2010 which show a good trading performance and a strong balance sheet. Group revenue in the financial year to 31 March 2010 was £115,372,000, 1.3% up on last year's £113,904,000 after being 5.9% behind at six months.

Operating profit increased by 69% to £6,437,000 from £3,812,000 last year.

Finance income was £43,000 against £647,000 last year. The main reason for the drop is the lower prevailing interest rates. Financial costs, which are principally interest on the pension scheme deficit as calculated under IAS19, were £893,000 against £287,000.

Pre-tax profit was £5,587,000 and has increased from last year's figure of £4,172,000.

Profit after tax was £4,113,000 compared to £2,268,000 last year.

Earnings per share was 21.5p compared to last year's 11.8p.

Net assets (total equity) are £42,235,000.

The company's cash reserves stood at £10,545,000 at 31 March 2010.

Final dividend

The directors recommend a final dividend of 5.25p per ordinary share ((2009 4.25p). The final dividend will be paid on 27 August 2010 to shareholders on the register at the close of business on 6 August 2010. The shares will become ex-dividend on 4 August 2010.

The total dividend per ordinary share of 7.75p for the year is covered 2.8 times by earnings.

Financial year 2009/10

The group's results are based on the trading of Lathams Limited, a specialist panel and timber distributor. Revenue was 1.3% higher and the gross margin percentage was one percentage point higher than the previous year.

The international market for hardwood and panel products fell sharply in the second half of 2008/09 resulting in falling timber product prices. In addition, de-stocking and a slowdown in economic activity resulted in weak demand for goods in the UK. This continued into the opening months of 2009/10, with lower volumes and prices. However, as the year progressed, supply was cut, prices stabilised and volumes gradually improved. Turnover in January and February held up well considering the adverse weather experienced in most parts of the country.

Prior to the start of the year the directors implemented a cost reduction programme and saving in most areas of the business has been an important element in the improved results.

Bad debts returned to more normal levels and the deterioration that we had anticipated over the Christmas period did not materialise. Earlier in the year, credit insurance was reduced or withdrawn on a significant number of customers with account balances over £40,000, but this eased later in the year.

It has been tough driving forward turnover and profit at the newer branches, but significant progress has been made during the year.

Current financial year 2010/11

The improved level of demand seen in the second half of last year has continued into the first quarter. Part of this is the result of customer restocking in anticipation of rising prices but customers appear busier than last year. Volumes are generally higher and prices are firmer. Managing customer credit levels continues to be difficult.

The future level of demand continues to be uncertain, as cuts in Government spending will affect some areas of activity. With demand still fragile, it is unclear how quickly higher prices will be established. It is a difficult climate in which to forecast far ahead.

Development strategy

The directors continue to review the company's various activities and are adding resources to areas where they have identified opportunities for growth, such as hardwood flooring, door blanks and decorative panels. We have been working closely with suppliers to introduce new products. With both global and UK levels of demand uncertain, purchasing commitments are being carefully monitored. The company is in a strong financial position to take advantage of opportunities that will occur in the current trading climate.

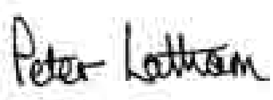
Hemel depot warehouse team.

Directors and staff

The directors have remained unchanged throughout the year and the company has a well-balanced main board in terms of range experience and diversity. In a year that has thrown up many challenges, their hard work and support has been invaluable.

The key purpose of the main board is to set the company's strategy and exercise corporate governance. Trading and operations policy is set and monitored by the Management Board of Lathams Limited whose members are the executive directors and senior depot directors. This has been a year where cost control has been essential and the depot directors and managers have had to implement difficult policies while keeping up staff morale. I thank them for their hard work and success.

The results achieved this year are better than we had any reason to expect and reflect the hard work and dedication of the talented staff that we employed throughout the business. While we target and measure performance on a depot basis, close teamwork throughout the company is important to maximise opportunities, and it reflects well on everyone the extent to which this has been achieved.



Peter Latham

Chairman, James Latham plc *5 July 2010*

Company Objectives

James Latham plc aims to be the supplier of choice throughout the UK for joinery manufacturers, shopfitters, kitchen manufacturers and a wide range of other wood based panel and hardwood using businesses, and to supply specialist products to timber and builders' merchants.

The company traces its history back to James Latham who traded in exotic hardwood in Liverpool in 1757. His son had established a business in London by 1799. It was taken public in 1965 and the shares are now quoted on the AIM market. The Latham family owns over half of the company shares and five members of the Latham family work in the business.

Our core values are based on a business structure that encourages an entrepreneurial spirit at depot level while maintaining central financial control and reaping the benefits of scale from the size of the group's activities.

The company is well respected in its industry and amongst its customers and suppliers for its principled trading policies and its integrity.

The company was voted UK Timber Trader of the Year in 2000, 2002, 2004 and 2008 in a vote of readers of the Timber Trades Journal.

The Company's objectives are:

- to maximise shareholder value over the medium term;
- to grow the business profitably;
- to maintain its presence in timber based products but to extend the product range to the existing customer base from an extended distribution network;
- to increase sales of third party certified sustainable timber products;
- to improve service levels by upgrading warehouse facilities to speed order picking and to cope with an extended product range; and
- to employ well-trained, knowledgeable and helpful staff.

FSC European Oak supplied to Taylor Made Joinery Interiors, being fitted in the Millenium Tower of St Edmondsbury.

Results for the year to 31 March 2010

Lathams Limited is the trading subsidiary of James Latham Plc and trades from ten depots in wood based sheet materials and joinery quality softwood and hardwood, hardwood flooring and decking. It offers a wide range of products for joinery, shopfitting and many other industries rather than for lower value markets such as carcassing softwood, fencing and pallet wood.

The company entered 2009-10 with the outlook for our customers, at best, uncertain as the recession deepened. Replacement costs of many items had fallen, in spite of the sharp decline in the value of sterling against both the dollar and euro in the Autumn 2008, reducing the value of the company's stock and turnover. There was a surplus of commodity items such as hardwood and softwood plywood available on the UK market which had intensified competition. Set in this context, the outcome for the year has exceeded our expectations.

Revenue for 2009/10 was £115,372,000, £1.5m higher than the previous year after being 5.9% behind at the six months stage. Both volumes and cost prices gradually improved as the year progressed. Prices, as measured by the company's index of average stock value of largest selling items, increased during the second half of the year by nearly 6%, but were still below the March 2009 levels. This masked big differences for various products. Trading volumes, measured by tonnage despatched per working day, were 8% higher than the previous year.

The gross margin, the difference between the sales values and the cost prices, was 22.2%, up one percentage point from the previous year. This reflected the gradual balancing of supply to demand as producers cut capacity.

Granting credit to customers remained an issue throughout the year, although the problem of insolvencies expected during the winter months did not materialise and bad debts were below last year's levels. The company seeks to insure balances owed where accounts have exceeded £40,000. Restrictions on insurance cover meant that the company was at risk on 25% of these outstanding balances in September, but by the end of the year this had fallen to 14%.

The company reduced staff numbers and introduced a cost control programme in February 2009 and overhead savings have been an important factor in achieving this year's result.

Profit and loss accounts are prepared on a depot basis and not by product type, but performance in terms of revenue and trading margin are considered below. Segmental analysis of our results is considered in note 2.

Panel products (wood based sheet materials, door blanks and solid surface)

Panel sales at £78,996,000 were 1.7% higher than last year. The company's strategy is to target markets for decorative boards, door blanks and solid surface panels, which are higher in unit value and command higher margins, whilst reducing the proportion of sales in commodity products, which are more volatile.

The cost price of MDF, the largest selling product group, started the year 20% down on the previous year and only strengthened slightly as the year progressed. However there was sales growth reflecting higher volumes handled. Good growth was seen in melamine-faced panels. The company's sales of hardwood plywood continued at a lower level than previous years, partly as a result of market weakness in the June quarter but also because of the company's decision taken on environmental and quality grounds not to trade in most commodity plywood imported from China. The company does however continue to trade with a reputable Chinese mill meeting our requirements. Prices are higher than those generally available on the Chinese market and we are selling this as a quality, Forest Stewardship Council (FSC) certified, sustainable product. Sales of softwood plywood were weaker due to lower prices.

Silica solid surface worktop, surfaced with HI-MACS® acrylic stone.

Advanced Technical Panels, the company's specialist business dealing in pre-finished panels designed for specific end uses, saw a further 13% fall in turnover as both the transport sector and companies supplying the construction sector continued to be hit by lack of demand in those areas. However the change in the customer base, with less direct sales, saw an improvement in gross profit earned

The company does considerable business in specialist panels for timber and builders merchants. This was affected by the downturn in construction activity and more in-house purchasing as markets in general slowed.

Operating Review

Timber (joinery quality softwood, hardwood, hardwood flooring and decking)

Timber sales at £36,376,000 were 4.5% higher than last year, in spite of lower prices in many product areas. The cycles for hardwood lags that for panels, and weakness in prices continued well into the year. The company has gained market share during the year and margins improved by almost 0.5% on the previous year.

Lower international and domestic demand forced producers in Africa and North America to reduce capacity.

Prices started the year weak, in spite of the upward pressure from the weakness of sterling but gradually strengthened towards the end of the year. European hardwood sales and volumes increased, representing a larger share of our timber business.

The company's strategy is to develop the market for third party certified timber from well-managed forests. We now have good stocks of FSC certified sapele, the most popular African hardwood for the UK market, in addition to a full range of FSC and Programme for the Endorsement of Forest Certification (PEFC) European and American hardwoods.

Sales of laminated timber sections continue to increase. These offer advantages of improved structural stability and specification to the customer and lower waste factors to producers. Our range includes FSC Meranti and Eucalyptus.

The company has been appointed a national distributor of Accoya wood, softwood treated by the acetylation process to improve its properties, notably durability and stability. Customer interest and initial sales have been encouraging. Baüsen hardwood flooring continues to be an important product range with turnover continuing to grow.

Strategy for developing the business

The directors recognise that the strength of the company is as a distributor of specialist high quality timber and timber related products to existing and new customer bases. Bulk manufacturing in the UK is in decline with factories moving to low cost producing countries. To counter this the company is targeting a customer base making custom made products and where lead times are short.

In the case of panels, value added products, such as melamine and veneered faced panels, specialist birch panels and doors now account for the same value of sales as traditional commodity items such as hardwood and softwood plywood and standard MDF. This ratio of value added to standard items varies between depots and it is planned to increase sales of value added products at all depots. During the year we extended the warehouse at Hemel Hempstead and invested in more racking in Wigston to allow us to increase the product range held in stock.

The new depot in Fareham opened in March 2008, and stocking both panels and hardwood has proved very successful. The new Dudley branch has seen a good increase in turnover during the year.

Trading conditions in Scotland have been tough and our branch in Motherwell, which opened in April 2008, has made good progress in building the base of consumer accounts that are our target market.

Wigston site director Andy Craig helping Armajit Binji of AJB source FSC Colour No Defect Beech.

Above left: FSC certified Sapele.
Above: Dudley sales office.

Market share

UK imports for 2009 including domestic production of MDF, OSB and Particleboard are shown in the table below.

Product	UK Imports Cubic metres	UK Imports Change on year %	Lathams sales Cubic metres	Lathams shares of UK imports %	
				2009	2008
Softwood	4,785,000	-12.8%	8,752	0.2%	0.2%
Hardwood	368,000	-7.7%	34,586	9.4%	9.0%
Plywood	1,162,000	-12.9%	63,529	5.5%	4.6%
Particleboard	2,760,000	4.5%	36,370	1.3%	1.3%
OSB/MDF	1,650,000	6.7%	108,154	6.6%	6.5%

The table above demonstrates that even in the markets that Lathams is seen as a major player, our share of the total industry imports is small. Some large users buy direct from producers and the company's largest merchant customers serving the building industry import the bulk of their requirement themselves.

Market place

The company's business is widely spread throughout many sectors of the UK economy.

Market sector	Customer group	Lathams sales value %	
		2010	2009
Construction/housing	Merchants	15	15
	Joiners	24	24
	Builders	5	6
	Kitchen manufacturers	5	6
Retail	Shopfitters	6	6
	Laminators/veneerers	6	5
	Furniture manufacturers	9	7
Transport	Vehicle builders	2	3
Exhibitions	Exhibition fitters	2	3
Cash sales		5	4
Other importers		8	8
Other sectors		13	13
	TOTAL	100	100

End products are used in both the public and private sectors. Our top ten customers account for 10% of sales and our top 25 customers represent 16% of sales.

Risks to the business

Cyclical nature of the timber trade

Product shortages can lead to high prices and over purchasing throughout the trade, resulting in excessive stock holding. Weaker prices lead to stock reduction throughout the supply chain, which magnifies the reduction in demand and then leads to even sharper falls in price.

To mitigate this risk, the company has a strict policy of stock level targets by depot, which are monitored monthly by the board which centrally controls the purchase of stocks and takes a group view on the action to be taken to limit the company's exposure to rapidly changing price levels.

The board has set strict guidelines relating to purchases where the specification is unique to a particular customer; and has policies in place to ensure that no individual can commit the company to a purchase greater than his/her authorised limit.

The company's reduced reliance on commodity items has reduced this risk of over exposure to low value, high volume and price sensitive items.

Political risks

Although far more of the company's purchases now come from Europe and North America, it has significant dealings with countries where the political climate is less stable. To mitigate the risk from these pressures, the group's dealings are spread across a large number of countries of supply, so no one particular country or region poses a strategic threat to the supply of product to the company. Erratic shipments can result in stock excess and shortages in specific special products. The company keeps informed of developments in higher risk producer countries through involvement in work by the Royal Institute of International Affairs (Chatham House).

Economic slowdown

The company's sales are predominantly UK based so it is exposed to any slowdown in the UK economy. However the distribution of its customers across the UK economic sectors helps reduce the impact of slowdown in any one sector.

Reputational risk

Over many years the company has built up a reputation for integrity and responsible trading and is aware that this can be easily damaged with the consequential cost to the Latham brand. To mitigate this risk policies are in place which cover standards of behaviour and good governance.

On the purchasing side the company has a risk based responsible purchasing policy to minimise possible damage to its reputation from dealing in illegal products.

Financial Review

Introduction

This report provides a commentary on how the group has performed against the financial objectives during this year, together with a review of its financial risks. We entered this financial year with great uncertainty over the state of the UK economy. Cost control, cash management and increased monitoring of risk, to allow us to take advantage of trading opportunities, have been the key contributors to our performance this year.

Financial objectives

The board of directors remain committed to the long term improvement in shareholder value, which we believe we can achieve by:-

- Improving profitability by maximising gross margins;
- Increasing group market share through improving facilities at our existing depots;
- Identifying expansion and acquisition opportunities, where the return on capital is at least equal to that of the existing group;
- Controlling cashflows to maximise cash available for the business and shareholders;
- Identifying and managing risks, with particular emphasis on the pension scheme liability;
- Maintaining dividend cover at between 2.5 times and 4 times earnings.

Financial review

Revenues increased by 1.3% to £115.4m, whilst gross profit increased to 17.8%. The measure of gross profit includes warehouse costs, and this year we have seen a decrease in warehouse costs both in real terms and also when looking at £'s per tonne handled. Gross margin, which excludes warehouse costs has increased by one percentage point to 22.2% this year.

Operating profit increased 69% to £6.4m following a decrease of 42% last year. We took steps at the end of last year to reduce our cost base to reflect the lower volumes and closely monitored other costs. Staff costs, excluding performance related bonuses, were reduced by 3%, and cost control remains a key focus for us next year.

Group net profit before taxation increased by 34% to £5.6m.

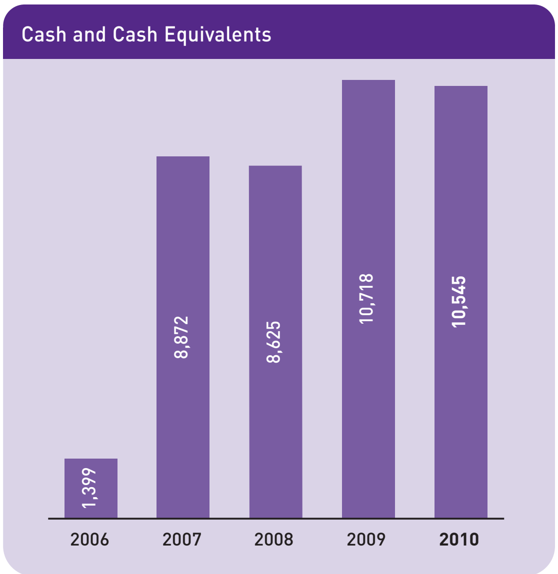
A commentary on the group's trading results is set out in the Operating Review on page 5.

David Dunmow
Finance Director and Company Secretary

Cash flow and working capital

At the end of the year cash balances of £10.5m were held, slightly down from £10.7m last year. This cash is being held as short term deposits in four separate banks, providing funds for short term working capital fluctuations and allowing us to make capital investments when opportunities arise. The current levels of interest rates have lead to a much reduced income from this asset, with interest receivable on cash deposits down from £360,000 to £43,000. However we have used our cash to obtain cash settlement terms with most of our major suppliers allowing us to earn £450,000 of discounts received compared with £165,000 last year. In addition, the level of cash has given our customers, suppliers and credit ratings agencies confidence in the company in times of economic uncertainty.

The timber importing business requires considerable working capital investment in stock and debtors. Control of cash flow from debtors is closely monitored. The key performance indicator of debtors days, taking into account our credit terms, has improved from 53.6 days to 53.2 days. Bad debts have decreased this year, amounting to 0.31% of turnover, compared with 0.74% the year before. The company policy is that all customers with outstanding balances exceeding £40,000 are covered by credit insurance policies. Where credit insurance is unavailable, a sub-committee of the board review financial reports to approve new credit limits. Towards the end of the year, our credit insurers had started to take on more risk, and the amount of debtors over £40,000 covered by credit insurance has improved to 86% from 75% last year.



Stock turnover targets are set and monitored on a monthly basis, and senior management has access to real time stock levels. We have concentrated on reviewing slow moving stocks, and have taken measures to restrict purchasing levels and increase transfers of stock between the depots. Stock levels have increased from last year, due to improving sales conditions requiring higher stock levels and increasing lead times for some commodity imports. Stock turn is 6.2 times compared with 6.7 times last year.

Capital investment

During the year, we spent £270,000 on extending the warehouse at Hemel Hempstead, adding a canopy for bulk storage and installing a racking system to store melamine-faced panels. This will allow us to grow sales of melamine faced panels and improve the operational efficiency of the depot. We also continued our programme of purchasing outright vehicles and mechanical plant, rather than taking out operating leases, spending £250,000 this year.

New Hemel depot canopy.

We have attempted to grow market share this year through increasing sales at our existing branch locations. We have considered investment opportunities, looking at returns on capital over a three year period, the net profits achievable, group synergies and cost savings. The investment opportunities looked at this year however did not meet all these requirements, and the board continue to actively look for opportunities.

Taxation

The taxation charge of £1.5m represents an effective rate of 26.4%.

The group's profits arise wholly in the UK and the group's tax charge will reflect the UK corporation tax rate.

Pension scheme

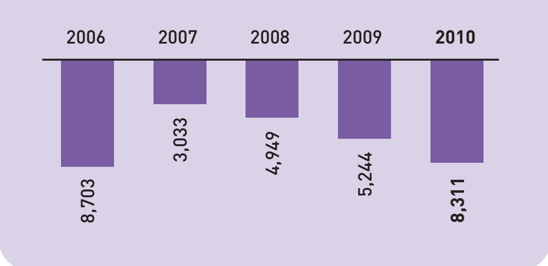
At 31 March 2010 the deficit of the defined benefit scheme under International Accounting Standards was £8,311,000 compared with £5,244,000 last year. However, actuarial assumptions and short term market conditions can have a major effect on the amount of the pension scheme liability.

Despite the improvement in market values of investments of £7.8m, liabilities increased by £10.8m due to lower yields on corporate bonds affecting the discount rate and a higher projected inflation rate. In note 19.2 to the accounts, we have provided some sensitivity analysis around the various assumptions used, to illustrate further the volatility of the pension liability.

Following the actuarial valuation at 1 April 2008 the trustees and the company agreed additional contributions of £768,000 per annum, from 1 April 2009 with the intention of eliminating the funding deficit by 31 March 2016. The pension scheme is a mature scheme and has a requirement for cash each year to pay the pensioner liabilities. The recovery plan provides cash to the scheme so that it does not need to disinvest scheme assets.

Financial Review

Gross IAS19 deficit £000's



The company is constantly assessing the risks in the pension scheme, and this year has maintained a cap on pensionable salary increases to a maximum of 1% over inflation.

Financial risk management

In the course of our business, the group is exposed to currency risk, interest rate risk, liquidity risk and credit risk. The overall aim of the group's financial risk management strategy is to mitigate any potential negative effects on the group's assets and profitability. The group manages these risks in accordance with group policies, and does not take speculative positions.

A small proportion of the currency risk is hedged by using derivative financial instruments which provide some protection should sterling weaken against the US dollar. However as the group trades wholly in the UK, the market price of our products tend to fluctuate in line with currency spot prices. Comparing against spot prices, we had a positive tracking error of less than 1% during the year.

The cash deposits and available bank facilities reduce our liquidity risk, and insurance products and external credit reference agencies help reduce our credit risk.

The audit committee reviews the company's risk register as part of its regular monitoring process.

Further information is disclosed in note 29 to the accounts.

Information technology/business continuity

The operations of the group depend to a large extent on the availability and reliability of our information technology systems. An IT steering committee reviews the performance of our IT systems and recommends development work to the board. The IT systems are monitored 24 hours a day and maintenance work is carried out on an ongoing basis.

Our main computer servers are located in a secure site away from the trading operations, as part of our business continuity planning. No individual trading site makes up more than 25% of the business, and disaster recovery plans are in place to service customers from other sites should a major event occur.

David Dunmow
Finance Director

At Lathams we are conscious of our corporate responsibilities, particularly in the spheres of health and safety and environmental matters, as these are relevant to the company's business. We also maintain contact with and support both the local and the wider community. A substantial amount of management time is devoted to CSR issues, environmental good practice and sustainable development. The company seeks to minimise as far as is reasonably practicable the waste that it generates in areas such as product packaging and to segregate waste products to reduce landfill. We have undertaken a Carbon Trust funded review to minimise our use of electricity and fossil fuels.

Providing a safe working environment

The handling of timber and panel products, both manually and mechanically, and the stacking and storage of these products at height, can be dangerous activities. We are, therefore, very active in assessing and minimising the risks in all areas of the business and educating the workforce to provide as safe a working environment as possible. We spend an increasing amount of time and money on this activity. We employ a full-time Health and Safety Advisor who reports to the board regularly and attends board meetings twice a year. We have a 3-year action plan and all sites are subject to regular audits. Management and employees are actively involved in improving our safety record, which is high on everyone's agenda.

Sustainable timber from well managed forests – a renewable crop or destroying the planet?

The directors of James Latham plc recognise that the company has a responsibility to the environment, customers, suppliers, shareholders and staff to base its commercial activities on well-managed forests and to reduce any negative environmental impact of its trading as far as is reasonably practical.

Timber from well-managed forests absorbs carbon in growing and locks in carbon in use. Well managed, timber uses less energy in conversion to components than other materials and can be recycled at the end of its life. It is sustainable, producing a regular crop and puts value into growing forests so helping to reduce land clearance for other uses.

Plywood provided to RIBA and BBC 21CC for the construction of pods to showcase digital media work.

Timber from poorly managed forests destroys biodiversity, leads to soil erosion and damages watercourses. It ruins the lifestyle of traditional forest dwellers. Forest burning adds to carbon emission and harms air quality in the region. Purchasing from those involved in corrupt practices undermines national governance.

How do we ensure that our timber comes from well managed forests?

Preference given to certified sustainable supplies

The company recognises that the independent certification of forests and of the supply chain is the best means of providing assurance that timber comes from legal and well managed forests. Where possible it purchases material certified by the Programme for the Endorsement of Forest Certification schemes (PEFC) or the Forest Stewardship Council (FSC).

The company has third party audited chain of custody for timber supplied as certified by PEFC, FSC and other audited schemes. This is to ensure that claims made about certification can be proved.

Commitment to purchase from legal sources

In some parts of the world, timber certified by one of the internationally recognised schemes is not available. The company is committed to purchasing all timber from legal sources and to seek confirmation from suppliers that they are operating in accordance with the laws of their country. Where the risk of corruption or illegal logging is high, we seek third party audited proof of legality.

Corporate Responsibility

The company unreservedly condemns illegal logging practices, keeps informed and actively participates in processes to change national and international legislation.

We publish our commitment to the environment regularly in our literature and on our website, www.lathamtimber.co.uk

The company sets targets each year to increase the amount of timber and timber based products that are certified by recognized international organisations such as PEFC and FSC, as coming from sustainable and well-managed forests.

The figures for the relevant calendar years are given below:

		Legal and sustainable	3rd party verified legal	Total
Panels	2008	60%	16%	76%
	2009	70%	6%	76%
	2010 target	72%	6%	78%
Timber	2008	25%	28%	53%
	2009	37%	16%	53%
	2010 target	39%	17%	56%

As a member of the Timber Trade Federation ("TTF") we have signed and agreed to abide by the TTF Responsible Purchasing Policy, the TTF Code of Conduct and to apply the Environmental Code of Practise to all wood procurement activities. We assess all high-risk areas of supply and ask suppliers for evidence for the source of supply of their logs.

We give clear guidance to our customers about the importance of buying timber that can be demonstrated to be legal and from well-managed forests. This is a condition of contract to supply the UK Government, the Olympics and many environmentally aware customers. This is done through our product guide, specific literature and company staff giving presentations to customer trade associations and at customer premises.

Informing suppliers and supporting certification

Senior company staff have spoken about the importance of independent certification of forests and supply chains at EU and UK conferences for groups of suppliers in Ghana, Cameroon, Congo Brazzaville, Gabon, Peninsular Malaysia, Sarawak, Sabah and China. Company buyers have visited individual suppliers in Europe, Russia, China, Indonesia, Malaysia, the United States, Uruguay and Argentina giving the same message. The company has been helping promote the EU Forest Law Enforcement Governance and Trade Initiative to prevent illegal logging by giving press and film interviews.

The company has supported and funded suppliers working under the EU funded Timber Trade Action Plan which is a step-by-step approach towards certification. The company's chairman contributes a considerable amount of his own time to chairing PEFC UK, the Timber Trade Federation environmental committee and to promoting PEFC and FSC certified product and promotion of chain of custody certification.

Backing UK Government Initiatives

Company directors have worked with DEFRA and DFID ministers to support the Government's policy and initiatives to halt illegal timber entering the UK supply chain.

The e-Tree Initiative

James Latham plc has signed up to the e-Tree initiative organised by our registrars Computershare. e-Tree™ is a programme designed to help companies promote eCommunications to their shareholders, whilst also allowing them to make a valuable contribution to the environment.

As a shareholder in James Latham plc, whenever you opt in to receive your designated communications online, eTree will buy a sapling which will be used in the Tree for All campaign. So we are doing our bit, while you are making your life easier.

To register please visit **www.etreeuk.com/jameslatham**. You will need your shareholder number, which is contained either on your share certificate or on your latest dividend voucher.

Please help us to reduce costs and support a very worthwhile cause.

Directors and Advisers

Directors' biographies


Peter Latham

Peter Latham BA FIWSc *Chairman*
Peter Latham, age 59, has worked in the company for 37 years and was appointed to the board in 1983. He is a director of Lathams Limited. He is Chairman of the Programme for the Endorsement of Forest Certification schemes (PEFC) UK board, an independent non-governmental organisation, which has certified the largest area of world forests.


David Dunmow

David Dunmow BSc FCA *Finance Director and Company Secretary*
David Dunmow, age 46, is a Fellow of the Institute of Chartered Accountants in England and Wales. He joined the company in 1994 and was appointed to the board as Finance Director in 2000. He is a director of Lathams Limited, and Company Secretary of James Latham plc. He is the treasurer of the Timber Trade Federation and serves on its Governing Board.


Chris Sutton

Chris Sutton *Executive Director*
Chris Sutton, age 51, has worked for James Latham plc for 32 years. He is Sales Director for Lathams Limited and was appointed to the board on 1 January 2005. He is Deputy Chairman of the board of the National Panel Products Division of the Timber Trade Federation.


Pippa Latham

Pippa Latham MA MBA ACIS FCMA *Non-Executive Director*
Pippa Latham, age 49, joined the company in 1990 from a previous career in investment banking and management consulting. She was Company Secretary from 1994 to 2005 and was appointed to the board as a non-executive director on 1 September 2005. She is an investment manager for the Timber Trades Benevolent Society and principal of Pippa Latham Associates, company secretary and corporate governance consultants.


Nick Latham

Nick Latham BSc *Executive Director*
Nick Latham, aged 42, has worked for the company for 19 years and was appointed to the board in 2007. He is a director of Lathams Limited.


Meryl Bushell

Meryl Bushell BA FCIPS *Non-Executive Director*
Meryl Bushell, aged 55, was appointed a non-executive director on 1 September 2008. Meryl has many years senior management experience with BT including several years as Chief Procurement Officer for the BT Group where she was responsible for all BT's procurement, supply chain and property activities. She is a previous director of Invest in Gateway London Limited and a current director of SupplierForce. She also sits on the Board of Management of the Chartered Institute of Purchasing and Supply.

Registrars
Computershare Investor
Services plc
The Pavilions
Bridgwater Road
Bristol BS13 8FB

Bankers
Royal Bank of Scotland plc
Financial Institutions Group
Major Corporate Banking
280 Bishopsgate
London EC2M 4RB

Handelsbanken
Trinity Tower
9 Thomas More Street
London E1 9WY

Stockbrokers and Nominated Adviser
Astaire Group plc
46 Worship Street
London
EC2A 2EA

Independent Auditors
Baker Tilly UK Audit LLP
2 Bloomsbury Street
London WC1B 3ST

Registered Office
James Latham plc
Unit 3 Swallow Park
Finway Road
Hemel Hempstead
Herts HP2 7QU

Registered Number 65619
Registered in England
and Wales

Directors' Report

The directors have pleasure in presenting their annual report and the audited accounts for the year ended 31 March 2010.

Principal activities

The group's principal activity is the importation and distribution of wood based sheet materials and joinery quality hardwoods and softwoods, hardwood flooring and decking, offering national coverage from ten depots.

Performance and prospects

A review of the group's performance and prospects is given in the Chairman's Statement on pages 2 and 3, in the Operating Review on pages 5 to 7, and in the Financial Review on pages 8 to 10 which includes a review of the risks and uncertainties impacting on the group's long term performance. Details of the group's key performance indicators – revenue, margins, earnings per share and cash are given in the Results section of the Chairman's Statement on page 2.

Results and dividends

Group results for the year ended 31 March 2010 are set out on page 22. The directors recommend the following dividends:

Ordinary dividends	**£000**
Interim dividend paid, 2.5 pence per ordinary share	477
Final dividend proposed, 5.25 pence per ordinary share	1,003
Total ordinary dividends, 7.75 pence per ordinary share	1,480

The directors recommend payment of the final dividend on 27 August 2010 to shareholders on the register of members at the close of business on 6 August 2010.

Directors

The directors of the company, who are shown on page 13, were directors throughout the year.

In compliance with the Articles of Association, Nick Latham, Pippa Latham and Meryl Bushell will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

Other than their service contracts, no director has a material interest in any contract with the company. Pippa Latham and Meryl Bushell, as non-executive directors, do not have a service contract with the company, but each has received a letter of appointment for a two year period. Details of directors' emoluments, pension rights, service contracts and the directors' interests in the ordinary shares of the company are included in the Directors' Remuneration Report on pages 18 to 20.

Article 168 of the company's Articles of Association gives the directors and officers of the company a right to be indemnified out of the assets of the company in respect of any liability incurred in relation to the affairs of the group to the extent the law allows.

The company has undertaken to comply with best practice on approval of directors' conflicts of interest. Under the Companies Act 2006 a director must avoid a situation where there is, or can be, an interest that may conflict with the company's interests.

The company maintained directors' and officers' liability insurance cover throughout the year.

Share capital

Resolutions concerning the ability of the board to purchase the company's own shares and to allot shares and to dis-apply pre-emption rights are again being proposed at the Annual General Meeting.

The company continues to hold 919,000 shares as treasury shares, with a view to being used for employee share schemes or cancelled. There have been no movements in these shares during the year. In addition the Trustees of the James Latham Employee Benefits Trust holds 132,853 shares with a view to being used for employee share schemes.

Share option schemes

On 29 August 2007, the shareholders approved by ordinary resolution the extension of the Save as You Earn scheme for a further 10 years. A 3 year scheme commenced on 1 September 2009.

On 21 August 2008, the shareholders approved by special resolution the establishment of the Company Share Option Scheme. During the year 56,661 options were issued at an option price of £1.65.

In addition, a Deferred Bonus Plan has been established.

Substantial shareholdings

At 22 June 2010, the company had received notification under the Disclosure Transparency Rules that the holdings and voting rights exceeding the 3% notification threshold were as follows:

	Number	**%**
Sir Robert McAlpine Enterprises Limited	1,352,000	7.03
Peter Latham	1,097,488	5.70
Cheviot Capital (Nominees) Ltd	673,556	3.53
Nick Latham	589,668	3.06

Employees

The group's ability to achieve its commercial objectives and to service the needs of its customers in a profitable and competitive manner depends on the contribution of its employees. Employees are encouraged to develop their contribution to the business wherever they happen to work. The group regularly keeps employees up to date with financial and other information. Quarterly meetings are held in each depot, chaired by Peter Latham, where employees' views concerning the performance of their depot are considered. To encourage the involvement of employees in the group's performance, share option schemes are operated together with bonuses linked to performance.

The group's employment policies do not discriminate between employees, or potential employees, on the grounds of age, gender, disability, sexual orientation, colour, ethnic origin or religious belief. The sole criterion for selection or promotion is the suitability of any applicant for the job.

It is the policy of the group to train and develop employees to ensure they are equipped to undertake the tasks for which they are employed, and to provide the opportunity for career development equally and without discrimination. Training and development is provided and is available to all levels and categories of staff.

Details of the number of employees and their related costs can be found in note 4 to the accounts.

Thurrock depot manager Miles Kember receiving Crown College's Manager of the Month from David Wills (left) for supporting Ashley Reynolds, Jay Foster and Carley Williams through their NVQ's.

Risks and uncertainties

The principal risks and uncertainties affecting the business are set out in the risks to the business section of the Operating Review on page 5 and the Financial Review on page 8.

Payments to suppliers

Operating businesses are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. The group's creditor days at 31 March 2010 were 37 (2009: 38 days).

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. The directors confirm that the business is a going concern and that their assessment of the going concern position has been prepared in accordance with Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009, published by the Financial Reporting Council in October 2009.

Political and charitable donations

During the year the group made no political contributions but made direct donations to various charitable organisations amounting to £3,050 (2009: £3,140). The group also made small donations of our products to a number of good causes.

Close company status

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company.

Financial instruments

A summary of the group financial instruments and related disclosures are set out in note 29 to the group accounts and in the Financial Review on pages 8-10.

Provision of information to the auditor

In the case of each of the directors who are directors of the company at the date when this report was approved:

- So far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

A resolution to reappoint Baker Tilly UK Audit LLP as the company's auditor and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting. Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Annual General Meeting special business

The Annual General Meeting of the company will be held at Unit 3, Swallow Park, Finway Road, Hemel Hempstead, Hertfordshire, HP2 7QU on 25 August 2010 at 12.30pm. The following items are to be proposed as special business, and the board recommends that the shareholders vote in favour of all resolutions put before the meeting.

Resolution 7. Directors authority to allot shares. This gives the board the power to allot ordinary shares or other securities, up to an aggregate nominal amount of £1,680,000 (or one third of the current ordinary shares).

Resolution 8. Dis-application of pre-emption rights. The Companies Act 2006 provides that when ordinary shares are being issued for cash, these shares must first be offered to existing shareholders on a pro rata basis. This resolution empowers the board to allot shares not exceeding 5% of the issued share capital, without offering to existing shareholders. The board only anticipates using this power in conjunction with the employee share schemes.

Resolution 9. Authority for the company to purchase its own shares. This gives the board the power to purchase up to 10% of the company's shares at a price not more than 105% of the average of the mid market price for the ten business days preceding the date of purchase.

Statement of directors' responsibilities

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. The directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union "EU" and have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. for the group financial statements, state whether they have been prepared in accordance with IFRS's adopted by the EU; and for the company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the James Latham plc website, www.lathams.co.uk.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board of Directors
Peter Latham
Chairman *5 July 2010*

Whilst, as an AIM company, it is not mandatory for the company to fully comply with the Combined Code, the directors believe that it is appropriate to comply as far as is relevant for a company of this size.

The Board of Directors

The board meets at least six times a year and has a formal schedule of matters referred to it for decision. It is responsible for group strategy, corporate responsibility including health and safety and environmental issues, acquisition policy, approval of major capital expenditure, review of strategy and budgets for the trading subsidiary, Lathams Limited, and monitoring the key operational and financial risks. All directors have access to independent professional advice, if required, at the company's expense.

The board currently consists of the Chairman, three other executive directors and two non-executive directors. Each director has a vote and no individual or small group of individuals dominates the board's decision making.

The board has decided that the directors will retire by rotation and the executive directors will be re-elected at least every three years. The manner in which the company has applied the principles of corporate governance is set out below.

The Audit Committee

The audit committee is currently chaired by Pippa Latham and includes Meryl Bushell and Nick Latham. David Dunmow also attends the meetings of the committee. The committee meets at least three times a year to review internal controls within the group. The duties of the audit committee include, on behalf of the board, a review of effectiveness of the group's financial reporting and internal control policies, and procedures for the identification, assessment and reporting of risk. It also keeps under review the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors, including recommending their re-appointment to the board.

The audit committee continues to review the work of the group's internal auditor.

Once a year the auditors meet with the non-executive directors only.

Financial reporting

The directors have a commitment to best practice in the group's external financial reporting in order to present a balanced and comprehensible assessment of the group's financial position and prospects to its shareholders, employees, customers, suppliers and other third parties. This commitment encompasses all published information including but not limited to the year-end and half yearly accounts, regulatory news announcements and other public information.

Internal controls

The board has established systems of internal control as appropriate for the size of the group. The day to day operation of the system of internal control is under the control of executive directors and senior management. The system is designed to manage rather than eliminate risk. Any system of internal control can however only provide reasonable, but not absolute, assurance against material misstatement and loss. No material breaches of internal controls were reported during the year.

Risk assessment

Procedures for identifying, quantifying and managing the risks faced by the group have been in place throughout the year under review. The processes for identifying and managing the key risks to the business are communicated regularly to all staff, who are made aware of the areas for which they are responsible. Such processes include strategic planning, maintenance and review of a risk register, the appointment of appropriately qualified staff, regular reporting and monitoring of performance against budgets and other performance targets, and effective control over capital expenditure.

Whistleblowing

The group has established procedures whereby employees of the group may, in confidence, raise concerns relating to matters of potential fraud or other improprieties. These procedures also cover other issues affecting employees including health and safety issues. The audit committee is confident that these 'whistleblowing' arrangements are satisfactory and will enable the proportionate and independent investigation of such matters and appropriate follow-up action to be taken.

Review of effectiveness of financial controls

The directors confirm that they have reviewed the effectiveness of the system of internal control for the year under review and to the date of approval of the Annual Report and Accounts through the monitoring process described above. In addition, the directors confirm that they have conducted a specific annual review of the effectiveness of the group's internal audit function.

Relations with shareholders

The company is committed to maintaining good communications with shareholders with any published financial statements and Stock Exchange announcements also posted on to our website, www.lathams.co.uk. From the website a direct link is maintained to the London Stock Exchange for our daily share price.

Directors' Remuneration Report

This report has been compiled by the company's remuneration committee and sets out the company's remuneration policies for its key directors.

Remuneration Committee

During the year ended 31 March 2010, the remuneration committee comprised two non-executive directors, Meryl Bushell as chairman and Pippa Latham. The meetings were attended by Peter Latham.

The main function of the remuneration committee is to make recommendations to the board regarding the group's policy on the remuneration and conditions of employment of the executive directors of the group, and, where appropriate, senior management, and includes considering nominations to the board.

During the course of 2009/10 the remuneration committee has overseen a review of the management of talent to ensure that development plans are in place for the potential future leaders of the company.

The remuneration committee has access to professional remuneration advice from outside of the company.

Remuneration Policy

The remuneration policy aims to ensure that executive directors are fairly rewarded for their individual contributions to the performance of the group, with due regard for the interests of shareholders.

The remuneration package consists of basic salary, benefits (comprising car and private medical provision), pensions, annual bonus schemes and share option schemes.

Pay rises are considered once a year, to apply from 1 December. Pay rises are based on cost of living increases plus awards for promotion where relevant. The executive directors have their pay rises based on the same percentages as the rest of the group.

Performance related bonuses

Annual bonuses can be earned by executive directors for the achievement of specific financial performance targets set by the group's board of directors and agreed by the remuneration committee. The criterion which the executive directors' bonuses were based in 2010 was the achievement of £4,220,000 operating profit. Maximum bonuses of 19.5% of basic salary are paid on achieving 135% of the target operating profit. This year the maximum bonuses were achieved. The criterion for the year ended 31 March 2011 will be based on a similar formula applying to target profits. In addition a Group Bonus scheme pays out a bonus to all eligible members of staff, subject to achieving a minimum level of group profits. This year the scheme is paying 2.60% of basic salary to 278 eligible employees.

Service Contracts

Following a review by the board of directors in 1996, the service contracts of executive directors were amended to incorporate a rolling 2 year notice period. This was considered by the board of directors to be a significant but reasonable reduction in their original 5 year contracts. In 2004, the board of directors agreed that any new service contracts issued to new directors would incorporate a fixed 2 year period, subject to a minimum 6 month notice period.

Executive director's contracts have no provisions for pre-determined compensation on termination that exceeds two years salary and benefits in kind.

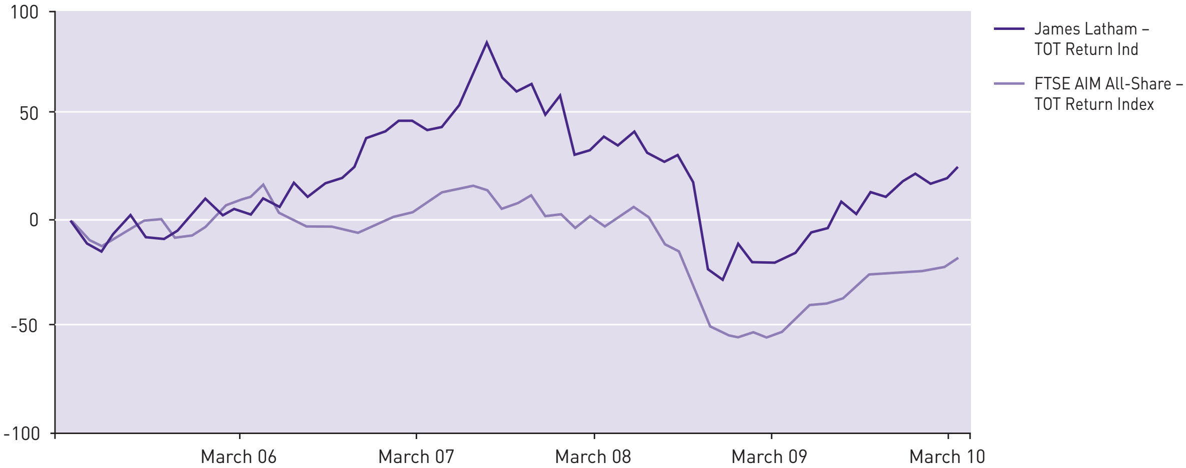
Remuneration of the non-executive directors

The remuneration of the non-executive directors is determined by the board. The non-executive directors do not receive a pension or other benefits from the group.

Review of past performance

The graph below shows the company's total shareholder return performance against the total shareholder return performance of the AIM All Share Index for the five years ended 31 March 2010.

James Latham plc total shareholder return



The Remuneration Committee consider this to be the most appropriate graph against which to compare the company's performance.

Directors' emoluments

Details of the individual directors' emoluments for the year were as follows:

		Salary and fees	Benefits	Bonus	Total emoluments excluding pensions	Share based payments	Pension contributions	TOTAL
		£000	£000	£000	£000	£000	£000	£000
Executive								
P.D.L. Latham	**2010**	**153**	**12**	**35**	**200**	**1**	**34**	**235**
	2009	163	11	3	177	-	21	198
D.A. Dunmow	**2010**	**113**	**10**	**26**	**149**	**2**	**24**	**175**
	2009	119	10	2	131	-	15	146
C.D. Sutton	**2010**	**102**	**11**	**25**	**138**	**2**	**22**	**162**
	2009	106	10	2	118	-	14	132
N.C. Latham	**2010**	**84**	**-**	**18**	**102**	**-**	**18**	**120**
	2009	89	-	7	96	-	11	107
Non-executive								
P.A.J. Latham	**2010**	**26**	**-**	**-**	**26**	**-**	**-**	**26**
	2009	25	-	-	25	-	-	25
M.A. Bushell	**2010**	**24**	**-**	**-**	**24**	**-**	**-**	**24**
(appointed 1 September 2008)	2009	14	-	-	14	-	-	14
M.R. Parkinson	**2010**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(retired 31 August 2008)	2009	14	-	-	14	-	-	14
Total		**502**	**33**	**104**	**639**	**5**	**98**	**742**
2009		530	31	14	575	-	61	636

Pensions paid to widows of former directors amounted to £15,000 (2009: £15,000).

Directors' shareholdings

There were no contracts with the company or its subsidiaries during the year in which any of the directors had a material interest, other than their service contracts. The directors' holdings of the share capital at the end of the financial year were as follows:

		31 March 2010		31 March 2009	
Directors		Ordinary shares	Preference shares	Ordinary shares	Preference shares
P.D.L. Latham	Beneficial owner	**1,097,488**	**Nil**	1,094,832	Nil
	Trustee	**234,000**	**Nil**	234,000	Nil
D.A. Dunmow	Beneficial owner	**65,954**	**Nil**	62,618	Nil
C.D. Sutton	Beneficial owner	**15,793**	**Nil**	12,785	Nil
N.C. Latham	Beneficial owner	**589,668**	**Nil**	586,079	Nil
P.A.J. Latham	Beneficial owner	**364,640**	**Nil**	589,285	Nil
M.A. Bushell	Beneficial owner	**Nil**	**Nil**	Nil	Nil

Director's share option schemes

Save as You Earn Scheme

Participation by the directors in the James Latham plc Save as You Earn Scheme is as follows:

	31 March 2010	31 March 2009
P.D.L. Latham	**7,202**	-
D.A. Dunmow	**7,202**	-
C.D. Sutton	**2,160**	-
N.C. Latham	**7,202**	-

A new Save as You Earn share option scheme was launched on 1 September 2009. The options are exercisable on 31 August 2012 at £1.26 a share. There are no performance conditions attached to these options.

Company Share Option Scheme

Participation by the directors in the James Latham plc Approved Company Share Option Scheme 2008 is as follows:

	Outstanding 1 April 2009	Granted during the year	Outstanding 31 March 2010	Exercise price	Exercise period
P.D.L. Latham	4,310	-	4,310	£1.16	16.12.13 to 15.12.18
	-	4,242	4,242	£1.65	26.11.14 to 25.11.19
D.A. Dunmow	4,310	-	4,310	£1.16	16.12.13 to 15.12.18
	-	4,242	4,242	£1.65	26.11.14 to 25.11.19
C.D. Sutton	4,310	-	4,310	£1.16	16.12.13 to 15.12.18
	-	4,242	4,242	£1.65	26.11.14 to 25.11.19
N.C. Latham	4,310	-	4,310	£1.16	16.12.13 to 15.12.18
	-	4,242	4,242	£1.65	26.11.14 to 25.11.19

No performance conditions attach to these options.

Deferred Bonus Plan

Participation by the directors in the James Latham plc Deferred Bonus Plan is as follows:

	Outstanding 1 April 2009	Awarded during the year	Outstanding 31 March 2010	Exercise price	Vesting date
D.A. Dunmow	-	6,542	6,542	nil	22.01.13
C.D. Sutton	-	5,256	5,256	nil	22.01.13

The award price for these deferred shares at 22.01.10 was £1.64 per share. No performance conditions or voting rights apply to these shares, but dividends will be reinvested into additional shares in the plan.

MA Bushell, *Chairman of the Remuneration Committee* *5 July 2010*

To the members of James Latham plc

We have audited the group and parent company financial statements ("the financial statements") on pages 22 to 57. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement (set out on page 16), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2010 and of the group's profit for the year then ended;

- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Euan Banks
Senior Statutory Auditor

For and on behalf of
BAKER TILLY UK AUDIT LLP
Statutory Auditor, Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

5 July 2010

Consolidated Income Statement

For the year ended 31 March 2010

£'000s	Notes	2010	2009
Revenue		**115,372**	113,904
Cost of sales (including warehouse costs)	3, 4, 12	**(94,838)**	(95,759)
Gross profit		**20,534**	18,145
Selling and distribution costs	4, 12	**(9,435)**	(9,507)
Administrative expenses	4, 12	**(4,749)**	(5,009)
Other income	5	**87**	183
		(14,097)	(14,333)
Operating profit		**6,437**	3,812
Finance income	6	**43**	647
Finance costs	7	**(893)**	(287)
Profit before tax	3	**5,587**	4,172
Tax expense	8	**(1,474)**	(1,904)
Profit after tax attributable to owners of the parent company		**4,113**	2,268
Earnings per ordinary share (basic)	10	**21.5p**	11.8p
Earnings per ordinary share (diluted)	10	**21.3p**	11.7p

All results relate to continuing operations.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2010

£'000s		2010		2009
Profit after tax		**4,113**		2,268
Actuarial loss on defined benefit pension scheme	**(3,387)**		(312)	
Deferred tax relating to components of other comprehensive income	**943**		48	
Other comprehensive income for the year		**(2,444)**		(264)
Total comprehensive income attributable to the owners of the parent company		**1,669**		2,004

Consolidated Balance Sheet

At 31 March 2010

£'000s	Notes	2010	2009
Assets			
Non-current assets			
Goodwill	13	**237**	237
Intangible assets	11	**138**	146
Property, plant and equipment	12	**18,359**	18,496
Total non-current assets		**18,734**	18,879
Current assets			
Inventories	14	**19,210**	16,251
Trade and other receivables	15	**23,658**	21,334
Cash and cash equivalents		**10,545**	10,718
Total current assets		**53,413**	48,303
Total assets		**72,147**	67,182
Current liabilities			
Trade and other payables	17	**16,934**	14,914
Current portion of interest bearing loans and borrowings	18	**21**	21
Current tax payable		**878**	265
Total current liabilities		**17,833**	15,200
Non-current liabilities			
Interest bearing loans and borrowings	18	**998**	1,020
Retirement and other benefit obligations	19	**8,311**	5,244
Other payables	20	**855**	886
Deferred tax liabilities	21	**1,915**	2,941
Total non-current liabilities		**12,079**	10,091
Total liabilities		**29,912**	25,291
Net assets		**42,235**	41,891
Capital and reserves			
Issued capital	22	**5,040**	5,040
Share-based payment reserve	23	**30**	1
Own shares	24	**(203)**	(139)
Capital reserve		**3**	3
Retained earnings		**37,365**	36,986
Total equity attributable to owners of the parent company		**42,235**	41,891

These accounts were approved and authorised for issue by the Board of Directors on 5 July 2010 and signed on its behalf by:

P.D.L. Latham } Directors
D.A. Dunmow

The notes on pages 26 to 50 form part of these accounts.

Consolidated Statement of Changes in Equity

	Issued capital £'000	Share-based payment reserve £'000	Own shares £'000	Capital reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2008	5,040	95	(429)	3	37,412	42,121
Profit for the year	-	-	-	-	2,268	2,268
Actuarial loss on defined benefit pension scheme	-	-	-	-	(312)	(312)
Deferred tax relating to components of other comprehensive income	-	-	-	-	48	48
Total comprehensive income for the year	-	-	-	-	2,004	2,004
Dividends	-	-	-	-	(1,562)	(1,562)
Purchase of treasury shares	-	-	-	-	(799)	(799)
Change in investment in ESOP shares	-	-	126	-	-	126
Transfer of share-based payment reserve on exercise of options	-	(95)	-	-	95	-
Capital loss on conversion of ESOP shares	-	-	164	-	(164)	-
Share-based payment expense	-	1	-	-	-	1
Balance at 31 March 2009	5,040	1	(139)	3	36,986	41,891
Profit for the year	-	-	-	-	4,113	4,113
Actuarial loss on defined benefit pension scheme	-	-	-	-	(3,387)	(3,387)
Deferred tax relating to components of other comprehensive income	-	-	-	-	943	943
Total comprehensive income for the year	-	-	-	-	1,669	1,669
Dividends	-	-	-	-	(1,290)	(1,290)
Change in investment in ESOP shares	-	-	(64)	-	-	(64)
Share-based payment expense	-	29	-	-	-	29
Balance at 31 March 2010	5,040	30	(203)	3	37,365	42,235

Consolidated Cash Flow Statement

For the year ended 31 March 2010

£'000s	Notes	2010	2009
Net cash flow from operating activities			
Cash generated from operations	25	**2,757**	4,997
Interest paid		**(5)**	(224)
Income tax (paid)/received		**(943)**	461
Net cash from operating activities		**1,809**	5,234
Cash flows from investing activities			
Interest received and similar income		**39**	655
Purchase of property, plant and equipment		**(568)**	(1,647)
Purchase of intangible asset		**-**	(4)
Proceeds from sale of property, plant and equipment		**2**	46
Proceeds from prior year sale of property and investment in subsidiary undertaking		**-**	500
Net cash used in investing activities		**(527)**	(450)
Cash flows from financing activities			
Bank loans repaid during the year		**-**	(357)
Finance leases repaid during the year		**(22)**	(21)
Equity dividends paid		**(1,290)**	(1,562)
Preference dividend paid		**(79)**	(79)
Purchase of own shares		**(64)**	(186)
Sale of own shares		**-**	313
Purchase of treasury shares		**-**	(799)
Net cash used in financing activities		**(1,455)**	(2,691)
(Decrease)/increase in cash and cash equivalents for the year		**(173)**	2,093
Cash and cash equivalents at beginning of year		**10,718**	8,625
Cash and cash equivalents at end of year		**10,545**	10,718

General information

James Latham plc is a public limited company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the AIM market. The nature of the group's operations and its principal activities are set out in the Directors' Report. The address of the registered office is Unit 3 Swallow Park, Finway Road, Hemel Hempstead, Herts HP2 7QU.

1. Summary of Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The company has elected to prepare its parent company accounts in accordance with UK Generally Accepted Accounting Practice (GAAP). These are presented on pages 51 to 57.

The accounts have been prepared under the historic cost convention. A summary of the more important group accounting policies, which have been applied consistently across the group, is set out below.

During the year the following standards have now been adpoted in these financial statements:

- IFRS 7 Financial Instruments: Disclosures (revised) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurement by level of a fair value measurement hierarchy. The change in accounting policy only results in additional disclosure.
- IAS 1 Presentation of Financial Statements (as revised in 2007) – effective 1 January 2009, IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. As these changes are optional, the group has chosen not to revise the titles.
- IFRS 8 – effective 1 January 2009, states that segment information should be based on management's internal reporting structure and accounting principles.

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the group operations that have been applied in these financial statements were in issue but not yet effective or endorsed (unless otherwise stated).

- IFRS 1 (amended)/IAS 27 amended – Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
- IFRS 2 (amended) Share-based Payments – Amendment; cash-settled share-based payment transactions
- IFRS 3 (revised 2008) Business Combinations – Comprehensive revision on applying the acquisition method (endorsed)
- IFRS 9 Financial Instruments
- IAS 24 (revised 2009) Related Party Disclosures
- IAS 27 (revised 2008) Consolidated and Separate Financial Statements – Consequential amendments arising from amendments from IFRS 3 (endorsed)
- IAS 28 (revised 2008) Investment in Associates – Consequential amendments arising from amendments to IFRS 3 (endorsed)
- IAS 31 Interest in Joint Ventures – Consequential amendments arising from amendments to IFRS 3 (endorsed)
- IAS 32 (amended) Classification of Rights Issues
- IAS 39 Financial Instruments: Recognition and Measurement – Amendments relating to eligible hedged items (endorsed)
- IFRIC 14 (amended) Prepayments of a Minimum Funding Requirement
- IFRIC 17 Distribution of Non-cash Assets to Owners (endorsed)
- IFRIC 18 Transfer of Assets from customers (endorsed)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Annual Improvement Project May 2008 (endorsed)
- Annual Improvement Project May 2009 (endorsed)

The directors anticipate that the adoption of these standards and interpretations as appropriate in future periods will have no material impact on the financial statements of the group when the relevant standards come into effect for periods commencing after 1 April 2010.

(b) Basis of consolidation

The consolidated accounts include the company and all its subsidiary undertakings (from the date of acquisition or to the date of disposal where applicable). Intra group sales and profits are eliminated on consolidation. The accounts of all subsidiary undertakings are made up to 31 March.

A subsidiary is an entity controlled, either directly or indirectly, by the company, where control is the power to govern the financial and operating policies of the entity so as to obtain benefit from its activities. The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

1.1 Revenue recognition
Revenue comprises net sales to external customers exclusive of Value Added Tax. Revenue is recognised upon delivery to, or collection by, the customer. Revenue is shown net of returns and rebates and after eliminating sales within the group.

1.2 Segmental reporting
The group has adopted IFRS 8 "Operating Segments" which requires operating segments to be identified on the basis of internal reporting of components of the group that are regularly reviewed by the Chairman to allocate resources to the segments and to assess their performance. Further information is available in note 2.

1.3 Foreign currency translation
The functional and presentational currency of the parent company and its subsidiaries is UK Pounds Sterling. Transactions in currencies other than the functional currency are translated at the rate ruling at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any gains or losses arising from the transactions are taken to the income statement.

In order to hedge its exposure to certain foreign exchange risks, the group enters into forward contracts (see note 29 for details). Gains and losses on forward contracts are recognised at fair value through the income statement.

1.4 Property, plant and equipment
Property, plant and equipment is stated at cost less depreciation. Depreciation on property, plant and equipment is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected life. It is calculated at the following rates:

Freehold buildings	- over 50 years
Leasehold improvements	- over 5 to 15 years
Fixtures and fittings	- over 4 to 10 years
Plant, machinery and vehicles	- over 5 to 20 years

Freehold land is not depreciated.

Estimated residual values and useful lives are reviewed annually and adjusted where necessary.

1.5 Impairment of non-current assets
The carrying amounts of the group's goodwill and property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where the carrying value exceeds the recoverable amount, a provision for the impairment loss is established with a charge being made to the income statement.

1.6 Goodwill
Goodwill on consolidation, being the excess of the purchase price over the fair value of the net assets of subsidiary undertakings at the date of acquisition is capitalised in accordance with IFRS3 Business combinations. Goodwill is tested annually for impairment, or more frequently when there is an indication that goodwill may be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed in a subsequent period.

1.7 Intangible assets – trademark
Acquired trademarks are shown at historical cost. Trademarks are considered to have a finite life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the estimated useful life of 20 years.

1.8 Inventories
Inventories are stated at the lower of cost (including an appropriate proportion of attributable supplier rebates and discounts) and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made for obsolete or slow moving inventories where appropriate.

1.9 Financial instruments
Financial assets and financial liabilities are recognised on the group's balance sheet when the group has become party to the contractual provisions of the instrument.

1.9.1 Trade receivables
Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence (including customers with financial difficulties or in default

on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the income statement.

1.9.2 Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and at bank and other short-term deposits held by the group with maturities of less than six months. The carrying amount of these assets approximates to their fair value.

1.9.3 Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1.9.4 Bank borrowings
Interest-bearing bank loans are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemption, are recognised in the income statement over the term of the instrument using an effective rate of interest.

1.9.5 Trade payables
Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

1.9.6 Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

1.9.7 Derivative financial instruments
The group's activities expose the entity primarily to foreign currency and interest rate risk. The group uses foreign exchange forward contracts to hedge these exposures. The group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Foreign currency forward contracts are not designated effective hedges and so are marked to market at the balance sheet date, with any gains or losses being taken through the income statement.

1.10 Current and deferred income tax
Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax expected to be payable or recoverable on differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible differences can be utilised.

Deferred tax is calculated at the rates of taxation which are expected to apply when the deferred tax asset or liability is realised or settled, based on the rates of taxation enacted or substantially enacted at the balance sheet date.

1.11 Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1.12 Dividend distribution
Final dividend distributions to the company's shareholders are recognised as a liability in the group's financial statements in the period in which the final dividends are approved by the company's shareholders.

1.13 Retirement benefit costs
Retirement benefit costs are accounted for in accordance with IAS 19 Employee benefits. Full details of the basis of calculation of the net pension liability disclosed in the balance sheet at 31 March 2010, and of the amounts charged/credited to the income statement and other comprehensive income, are set out in note 19 to the accounts. The group has recognised all actuarial gains and losses outside of the income statement, as permitted by paragraph 93a of IAS 19.

The cost of the defined benefit plan recognised in the income statement comprises the net total of the current service cost, the past service cost, the expected return on plan assets, the interest cost and the effect of curtailments and settlements. The current service cost represents the increase in the present value of the plan liabilities expected to arise from employee service in the current period. Past service costs resulting from enhanced benefits are recognised in the income statement on a straight-line basis over the vesting period, or immediately if the benefits have vested. The expected return on plan assets is based on market expectations, at the beginning of the period, for returns over the life of the benefit obligation. The interest cost represents the increase in the benefit obligation due to the passage of time. The discount rate used is determined by reference to market yields on high quality corporate bonds, where available, or government bonds at the balance sheet date. Gains and losses on curtailments or settlements are recognised in the income statement in the period in which the curtailment or settlement occurs.

Actuarial gains and losses, which represent differences between the expected and actuarial returns on the plan assets and the effect of changes in actuarial assumptions, are recognised in the statement of other comprehensive income in the period in which they occur.

The defined benefit liability recognised in the balance sheet comprises the present value of the benefit obligation, minus any past service costs not yet recognised minus the fair value of the plan assets, if any, at the balance sheet date. The deficit is classified as a non-current liability.

Pension payments to the group's stakeholder scheme are charged to the income statement as they arise.

1.14 Finance leases

Assets held under finance leases are recognised as assets of the group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

1.15 Share-based payment

The Group has applied the requirements of IFRS2 Share-based payment which requires the fair value of share-based payments to be recognised as an expense.

Certain employees receive remuneration in the form of share options. The fair value of the equity instruments granted is measured on the date at which they are granted by using the Black-Scholes model, and is based on the groups estimate of the number of options that will eventually vest. The fair value is expensed in the income statement.

1.16 Treasury shares

Treasury shares are shown at historical cost, and deducted from retained earnings directly in equity.

1.17 Employee Share Ownership Plan (ESOP)

Own shares represent the company's own shares that are held by the group sponsored ESOP trust in relation to the group's employees share schemes. Own shares are deducted at cost in arriving at shareholders' equity and gains and losses on their sale or transfer are recognised directly in equity. ESOP is treated separately and consolidated in the company and group accounts.

1.18 Accounting estimates and judgements

The directors considered the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgements are:

i. Post-employment benefits
ii. Stock obsolescence provision
iii. Provisions for receivables impairment

For post-employment benefits, the directors take advice from a qualified actuary.

These estimates are based on historical experience and various other assumptions that management and the board of directors believe are reasonable under the circumstances and are discussed in more detail under their respective notes. Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes could differ from those assumptions and estimates.

2. Business and geographical segments

For management purposes, the group is organised into one trading division, that of timber importing and distribution, carried out in each of the ten depots trading wholly in the United Kingdom.

In each depot, turnover and gross margin is reviewed separately for Panel Products and Timber (including Flooring). Most depots sell both product groups, except in the London region where for operational efficiency Panel Products and Timber are sold in separate depots. Resources are allocated and employees incentivised on the basis of the results of their individual depot and not on the basis of a product group.

Whilst there are regional differences in the relative importance of product groups and classes of customer, each depot is considered to have similar economic characteristics and so can be aggregated into one segment. We therefore consider there is one business segment and one geographical segment.

3. Profit before tax

	2010	2010	2009	2009
	£'000	**£'000**	£'000	£'000
Profit for the year has been arrived at after taking into account the following:				
Net foreign exchange gains/(losses)		**264**		(339)
Cost of inventories recognised as an expense and included in 'cost of sales' in the consolidated income statement		**89,872**		90,229
Depreciation of property, plant and equipment – owned		**676**		610
Depreciation of property, plant and equipment – leased		**22**		22
Loss/(profit) on disposal of property, plant and equipment		**5**		(12)
Amortisation		**8**		7
Operating lease rentals - vehicles and plant	**1,072**		1,216	
- property	**539**		541	
		1,611		1,757
Fees payable to the company's auditors for the audit of these annual accounts:		**5**		5
Fees payable to the company's auditors and its associates for other services:				
The audit of the company's subsidiaries pursuant to legislation		**46**		48
Tax services		**6**		12
Fees in relation to the audit of the James Latham plc Pension and Assurance Scheme		**6**		5
Other services		**3**		9

4. Information regarding employees

The monthly average number of persons, including directors, employed by the group during the year was as follows:	**2010 Number**	2009 Number
Management and administration	**53**	56
Warehousing	**85**	92
Selling	**97**	102
Distribution	**61**	61
	296	311

The aggregate payroll costs of these employees were as follows:	**£'000**	£'000
Wages and salaries	**8,655**	8,347
Social security costs	**831**	781
Pension costs	**498**	722
Share-based payment	**29**	1
	10,013	9,851

Of the above payroll costs, £2,095,000 (2009: £2,130,000) is included in cost of sales, £5,184,000 (2009: £5,235,000) is included in selling and distribution costs, and £2,734,000 (2009: £2,486,000) is included in administrative expenses in the income statement.

5. Other income	2010 £'000	2009 £'000
Rent receivable	**87**	183

6. Finance income	2010 £'000	2009 £'000
Interest receivable	**43**	647

The interest received is on bank deposits with a maturity analysis of less than 6 months at the balance sheet date.

7. Finance costs	2010 £'000	2009 £'000
On bank loans and overdrafts	**1**	10
On pension liability	**809**	194
On 8% Cumulative Preference shares	**79**	79
On finance lease agreements	**4**	4
	893	287

The interest payable on bank loans and overdrafts is payable on balances with a maturity analysis of less than 6 months at the balance sheet date. Interest payable on finance leases has a maturity analysis of between one and five years at the balance sheet date and all other interest payments are based on balances with a maturity analysis of over five years at the balance sheet date.

8. Tax expense

	2010 £'000	2009 £'000
The charge for taxation on profit comprises:		
Current year:		
UK corporation tax at 28%	1,543	864
Adjustment in respect of prior year	14	(56)
Deferred taxation - pension	91	(6)
- IBAs derecognised in current year	(201)	743
- pension prepayment	-	300
- other	27	59
	1,474	1,904
Profit before taxation	5,587	4,172
Tax at 28%	1,564	1,169
Disallowable items	61	58
IBAs de-recognised in current year	(201)	743
Non-taxable items	36	(10)
Adjustment in respect of prior year	14	(56)
Total tax charge	1,474	1,904

During 2007 proposed amendments to the Industrial Buildings Allowances regime were announced. Substantive enactment took place on 2 July 2008. The deferred tax liability in the consolidated balance sheet has decreased by £201,000, with a corresponding credit to the consolidated income statement.

9. Dividends

	2010		2009	
	£'000	£'000	£'000	£'000
Ordinary dividends:				
Final 4.25p per share paid 28 August 2009 (2008: 6.1p)	813		1,179	
Interim 2.5p per share paid 22 January 2010 (2009: 2.0p)	477		383	
		1,290		1,562

The Directors propose a final dividend for 2010 of 5.25p per share, that, subject to approval by the shareholders, will be paid on 27 August 2010 to shareholders on the register on 6 August 2010.

Based on the number of shares currently in issue, the final dividend for 2010 is expected to absorb £1,003,000.

10. Earnings per ordinary share

Earnings per ordinary share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2010 £'000	2009 £'000
Net profit attributable to ordinary shareholders	**4,113**	2,268

	Number '000	Number '000
Issued ordinary share capital	**20,160**	20,160
Less: weighted average number of own shares held in treasury investment	**(919)**	(727)
Less: weighted average number of own shares held in ESOP Trust	**(109)**	(142)
Weighted average share capital	**19,132**	19,291
Add: dilutive effects of share options issued	**121**	58
Weighted average share capital for diluted earnings per ordinary share calculation	**19,253**	19,349

11. Intangible assets

	Trademark £'000
Cost:	
At 1 April 2008	150
Additions	4
1 April 2009	**154**
Additions	-
At 31 March 2010	**154**
Amortisation	
At 1 April 2008	1
Charge for the year	7
1 April 2009	**8**
Charge for the year	8
At 31 March 2010	**16**
Net book value	
At 31 March 2010	**138**
At 31 March 2009	146
At 31 March 2008	149

12. Property, plant and equipment

	Freehold property £'000	Short leasehold property improvements £'000	Plant, equipment and vehicles £'000	**Total £'000**
Cost:				
At 1 April 2008	15,954	354	4,013	**20,321**
Additions	10	311	1,326	**1,647**
Disposals	(1)	(59)	(159)	**(219)**
1 April 2009	**15,963**	**606**	**5,180**	**21,749**
Additions	158	7	403	**568**
Disposals	-	-	(179)	**(179)**
At 31 March 2010	**16,121**	**613**	**5,404**	**22,138**
Depreciation:				
At 1 April 2008	949	37	1,820	**2,806**
Disposals	-	(37)	(148)	**(185)**
Charge for the year	220	29	383	**632**
1 April 2009	**1,169**	**29**	**2,055**	**3,253**
Disposals	-	-	(172)	**(172)**
Charge for the year	207	37	454	**698**
At 31 March 2010	**1,376**	**66**	**2,337**	**3,779**
Net book value				
At 31 March 2010	**14,745**	**547**	**3,067**	**18,359**
At 31 March 2009	14,794	577	3,125	18,496
At 31 March 2008	15,005	317	2,193	17,515

Included in freehold property is land with a book value of £5,671,000 (2009: £5,671,000) which is not depreciated.

The depreciation charge is included in the income statement as follows:

	2010 £'000	2009 £'000
Cost of sales	**455**	440
Selling and distribution costs	**120**	43
Administrative expenses	**123**	149
	698	632

13. Goodwill

	Goodwill £'000
Cost:	
At 1 April 2009 and 31 March 2010	**362**
Impairment	
At 1 April 2008	125
Charge for impairment during the year	-
At 1 April 2009	125
Charge for impairment during the year	-
At 31 March 2010	**125**
Net book value	
At 31 March 2010	**237**
At 31 March 2009	237
At 31 March 2008	237

The goodwill arose upon the acquisition of part of the trade and net assets of F.H. Thompson Limited in the year ended 31 March 2005.

In accordance with the group's accounting policy the carrying value of goodwill is reviewed annually for impairment. The review entails an assessment of the present value of projected return from an asset over a period of 5 years. The discount rate used is currently 6%.

The review performed at the year end did not result in the impairment of goodwill as the estimated recoverable amount exceeded the carrying value. The recoverable amount of the cash generating unit to which the goodwill has been allocated is determined based on value-in-use calculations.

14. Inventories

	2010 £'000	2009 £'000
Finished goods and goods for resale	**19,777**	16,718
Less: provisions for slow moving and obsolete stock	**(567)**	(467)
	19,210	16,251

The inventories impairment charge for the year ended 31 March 2010 was £354,000 (2009: £361,000). Impairment charges reversed during the year were £254,000 (2009: £266,000).

15. Trade and other receivables

	2010 £'000	2009 £'000
Trade receivables	**22,123**	19,830
Other receivables:		
Other receivables	**676**	565
Derivative financial instruments (note 16)	**-**	35
Prepayments and accrued income	**859**	904
	1,535	1,504
	23,658	21,334

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Trade receivables amounted to £22,123,000 (2009: £19,830,000), net of a provision of £229,000 (2009: £457,000) for impairment. Movements on the group provisions for impairment were as follows:

	2010 £'000	2009 £'000
At 1 April 2009	**457**	428
Provisions for receivables impairment	**361**	1,121
Receivables written off during the year as uncollectible	**(589)**	(1,092)
At 31 March 2010	**229**	457

The average credit period on sale of goods is 53 days (2009: 53 days).

The following table provides analysis of trade and other receivables that were past due at 31 March 2010 but not impaired. The group believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2010 £'000
0-30 days	**683**
31-60 days	**109**
61-90 days	**19**
	811

There are no significant credit risks arising from financial assets that are neither past due nor impaired.

At 31 March 2010, £46,000 (2009: £84,000) were denominated in Euros; the balance of receivables were denominated in sterling.

16. Derivative financial instruments

	2010 £'000	2009 £'000
Forward foreign exchange contracts		
Current assets	-	35

The full fair value of a derivative is classified as a non-current asset or liability if the remaining life of the instrument is greater than 12 months, and as a current asset or liability if the maturity of the hedge is less than 12 months. A net charge of £35,000 (2009: £2,000) relating to forward foreign exchange contracts is included in administrative expenses in the income statement.

17. Trade and other payables

	2010 £'000	2009 £'000
Trade payables	12,472	11,793
Other taxation and social security	2,279	1,596
Other payables	802	293
Accruals and deferred income	1,381	1,232
	16,934	14,914

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 37 days (2009: 38 days). The directors consider that the carrying amount of trade payables approximates to their fair value.

At 31 March 2010, £14,905,000 (2009: £12,806,000) of payables were denominated in sterling, £1,203,000 (2009: £1,296,000) in US dollars, £771,000 (2009: £812,000) in Euros and £56,000 (2009: £0) in Canadian dollars.

Based on the balance sheet value of payables, as shown above, a 10% change in the currency exchange rate would lead to an increase or decrease in income and equity of £195,000 (2009: £211,000).

18. Interest bearing loans and borrowings

	2010 £'000	2009 £'000
Current liabilities		
Obligations due under finance leases	21	21
	21	21
Non-current liabilities		
Obligations due under finance leases	11	33
Cumulative preference Shares of £1 each (note 22)	987	987
	998	1,020
Total	1,019	1,041

The loans and borrowings were all denominated in sterling.

Bank loans, overdrafts and acceptance credits are secured by fixed and floating charges over the assets of the group. Overdrafts of subsidiary companies amounting to £202,000 (2009: £1,652,000) are also secured on the assets of the group. Obligations under finance leases included in plant, equipment and vehicles in note 12, are secured on the assets concerned, with a net book value of £34,000 (2009: £55,000).

The group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as discussed above through effective cash management. In addition, the group maintains committed undrawn bank facilities of £2,750,000 (2009: £5,750,000) which can be accessed as considered necessary. The facilities bear interest at the following rates, £1,000,000 at 2% above base rate and £1,750,000 at 1.25% over the LIBOR rate and are secured by fixed and floating charges over the assets of the company and its subsidiaries. These facilities are renewed annually.

The cumulative preference shares are not redeemable and pay dividends at 8% per annum.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2010			2009		
	Minimum lease payments £'000	**Interest £'000**	**Principal £'000**	Minimum lease payments £'000	Interest £'000	Principal £'000
Less than one year	**25**	**4**	**21**	25	4	21
Between one and five years	**13**	**2**	**11**	39	6	33
	38	**6**	**32**	64	10	54

19. Retirement and other benefit obligations

	2010 £'000	2009 £'000
Retirement benefit obligations (note 19.2)	**8,311**	5,244

19.1. Group pension schemes

James Latham plc operates a group contributory defined benefit pension scheme. The scheme is a funded scheme. Benefits are provided based on earnings in the last twelve months before retirement, plus average bonuses received over the last three years. The assets of the scheme are held separately from those of the company. 56% of the assets are invested in equities, with 38% under passive management by Blackrock, 3% in a GTAA fund managed by Mellon and 15% in a Fund of Hedge funds managed by Mesirow. 34% are held in bonds and gilts, managed by Aegon Asset Management UK plc. The remaining 10% is an HLV Property Fund managed by Aviva.

The group contributory defined benefit pension scheme is closed to new entrants, and a defined contribution group stakeholder scheme has been established for the pension provision of all other employees.

The pension charge for the year for both schemes was £498,000 (2009: £722,000). Of the charge, £42,000 (2009: £102,000) is included in cost of sales, £124,000 (2009: £321,000) is included in selling and distribution costs, and £332,000 (2009: £299,000) is included in administrative expenses in the income statement.

Contributions are determined by a qualified actuary on a basis of triennial valuations using the projected unit funding method. The most recent available valuation was at 31 March 2008. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

It was assumed that the investment return would be 6.9% per annum pre-retirement and 5.0% per annum post-retirement, that the salary increases would average 5% per annum and that the present and future pensions would increase at the rate of 3% per annum in respect of service to 1 January 1991. Pensions accruing between 1 January 1991 and 28 February 1999 are required to increase at the greater of: (a) 4%, and (b) 3% on the GMP and 5% on the excess over the GMP. Pensions accruing after 1 March 1999 increase at Limited Price Indexation which has been assumed to average 3.5% in the future.

19.2. Group defined benefit pension scheme

The company operates a defined benefit pension scheme for its employees. The current practice of increasing pensions in line with inflation is included in the measurement of the defined benefit obligation.

The retirement benefit liability recognised in the balance sheet is the present value of the defined benefit obligations, less the fair value of the scheme assets, adjusted for past service costs. Actuarial gains and losses are immediately recognised in the statement of other comprehensive income.

	2010 £'000	2009 £'000
Change in benefit obligation		
Benefit obligation at beginning of year	33,770	40,579
Service cost	424	451
Interest cost	2,342	2,364
Plan members' contribution	4	147
Actuarial loss/(gain)	9,477	(8,261)
Benefits paid	(1,391)	(1,474)
Premiums paid	(39)	(36)
Benefit obligation at end of year	44,587	33,770
Analysis of defined benefit obligation		
Schemes that are wholly or partly funded	44,587	33,770
Change in Scheme assets		
Fair value of Scheme assets at beginning of year	28,526	35,630
Expected return on scheme assets	1,538	2,177
Actuarial gain/(loss)	6,090	(8,573)
Employers contributions (incl. employer direct benefit payments)	1,548	655
Member contributions	4	147
Benefits paid from plan/company	(1,391)	(1,474)
Premiums paid	(39)	(36)
Fair value of scheme assets at end of year	36,276	28,526
Amounts recognised in the balance sheet		
Present value of funded obligations	44,587	33,770
Fair value of scheme assets	36,276	28,526
Net liability	8,311	5,244

19.2. Group defined benefit pension scheme *(continued)*

	2010 £'000	2009 £'000
Amounts in the balance sheet		
Net liability	**8,311**	5,244
Components of pension expense		
Current service cost	**424**	451
Interest cost	**2,342**	2,364
Expected return on scheme assets	**(1,538)**	(2,177)
Total pension expense recognised in the income statement	**1,228**	638
Actuarial loss immediately recognised	**3,387**	312
Total recognised in the statement of other comprehensive income	**3,387**	312
Cumulative amount of actuarial loss immediately recognised	**5,253**	1,866

	2010	2009
Plan assets		
The weighted-average asset allocations at the year end were as follows:		
Equities	**56.3%**	50.8%
Bonds	**34.0%**	38.0%
Property	**9.3%**	11.2%
Other	**0.4%**	-
	100.0%	100.0%

	2010 £'000	2009 £'000
Amounts included in the fair value of assets for		
Equity instruments	**20,406**	14,489
Bond instruments	**12,343**	10,832
Property occupied	**3,368**	3,198
Other assets used	**159**	7
	36,276	28,526

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of a rate of 5.38%.

	2010 £'000	2009 £'000
Actual return on scheme assets	**7,628**	(6,396)

19.2. Group defined benefit pension scheme *(continued)*

	2010	2009
Weighted average assumptions used to determine benefit obligations:		
Discount rate	**5.70%**	7.00%
Rate of compensation increase	**5.15%**	5.00%
Weighted average life expectancy for mortality tables used to determine benefit obligations:		
Male member age 65 (current life expectancy)	**21.7**	21.6
Female member age 65 (current life expectancy)	**24.9**	24.8
Male member age 45 (life expectancy at age 65)	**23.5**	23.4
Female member age 45 (life expectancy at age 65)	**26.8**	26.7
Weighted average assumptions used to determine pension expense:		
Discount rate	**7.00%**	5.85%
Expected long-term return on scheme assets	**5.38%**	6.17%
Rate of compensation increase	**5.00%**	5.10%

Sensitivity analysis of the key assumptions

The valuation of the scheme's liabilities is dependent on the assumptions used. The sensitivity of the valuation of the liability to changes in the assumptions is shown in the table below:

	Impact on deficit (Decrease)/increase **£'000**
Discount rate increases by 0.25%	**(1,868)**
Salary growth increases by 0.25%	**460**
Life expectancy increases by one year	**1,073**

History of plan assets and defined benefit obligation

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	UK GAAP 2006 £'000
Present value of defined benefit obligation	**44,587**	33,770	40,579	41,244	41,047
Fair value of plan assets	**36,276**	28,526	35,630	38,211	32,344
Net liability	**8,311**	5,244	4,949	3,033	8,703

History of experience gains and losses

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	UK GAAP 2006 £'000
Difference between expected and actual return on scheme assets:					
Amount	**6,090**	(8,573)	(3,987)	202	3,950
Percentage of scheme (liabilities)/assets	**16.8%**	30.0%	11.2%	0.5%	12.0%
Experience gains and losses on scheme liabilities:					
Amount	**0**	(470)	(23)	1	1,028
Percentage of scheme (liabilities)/assets	**0.0%**	(1.4%)	(0.0%)	0.0%	3.0%

Contributions

The group expects to contribute £1,554,000 to the pension scheme for the year ending 31 March 2011.

19.3. Stakeholder and other pension payments

The group operates a defined contribution Stakeholder scheme managed by Phoenix Life Ltd. The group has agreed to match contributions by employees up to a maximum of 5%.

Pension contributions paid to the stakeholder scheme for the year totalled £75,000 (2009: £70,000).

20. Other payables (non-current liabilities)

	2010 £'000	2009 £'000
Accruals and deferred income	**752**	769
Other payables	**103**	117
	855	886

21. Deferred tax

The net deferred tax liability is made up of the following elements:	Post-employment benefits £'000	Revalued properties £'000	Rolled over gains on assets £'000	Pension prepayment £'000	Other (*) £'000	Total £'000
As at 31 March 2008	1,464	(212)	(2,599)	300	(846)	(1,893)
Charge to the income statement	(11)			(300)	(785)	(1,096)
Credit directly to other comprehensive income	48	-	-	-		48
As at 31 March 2009	1,501	(212)	(2,599)	-	(1,631)	(2,941)
(Charge)/credit to the income statement	(100)	-	-		183	83
Credit directly to other comprehensive income	943	-	-	-	-	943
As at 31 March 2010	2,344	(212)	(2,599)	-	(1,448)	(1,915)

** Includes accelerated capital allowances, share-based payments and industrial building allowances.*

Deferred tax has been calculated using rates that are expected to apply when the asset or liability is expected to be realised or settled, based on rates that were substantively enacted at the balance sheet date.

22. Share capital

Ordinary shares	2009 and 2010 Authorised		Issued	
	Number	**£'000**	**Number**	**£'000**
Ordinary shares of 25 pence each	**28,000,000**	**7,000**	**20,160,000**	**5,040**

Preference shares	2009 and 2010 Authorised		Issued	
	Number	**£'000**	**Number**	**£'000**
8% Cumulative Preference Shares of £1 each	**1,500,000**	**1,500**	**987,000**	**987**

Preference shares are included in non-current liabilities (as interest bearing loans and borrowings). See note 18.

The Cumulative Preference shares carry the right to receive the 8% dividend in priority to all other shares and the right of a return on assets in priority to all other shares. They do not carry the right to further participate in profits or assets, nor to vote at any General Meeting unless the resolution directly and adversely varies any of their rights or privileges.

There were no movements in the share capital of the company in either the year ended 31 March 2010 or 2009.

23. Share-based payment

Equity-settled share option scheme

Details of the share options outstanding during the year are as follows:

	2010			2009		
	Number of share options	Weighted average exercise price (£)	Nil price share options	Number of share options	Weighted average exercise price (£)	Nil price share options
Outstanding at beginning of year	**58,621**	**1.16**	**-**	214,399	1.51	-
Granted during the year	**385,029**	**1.32**	**11,798**	58,621	1.16	-
Forfeited during the year	**(13,538)**	**1.26**	**-**	(8,836)	1.51	-
Exercised during the year	**-**	**-**	**-**	(205,563)	1.51	-
Outstanding at the end of the year	**430,112**	**1.30**	**11,798**	58,621	1.16	-

23. Share-based payment *(continued)*

Details of the options outstanding at 31 March 2010 are shown below. None of these options were exercisable at the year end.

	2010			2009		
	CSOP	SAYE	Nil price share options	CSOP	SAYE	Nil price share options
Range of exercise prices	**£1.16-£1.65**	**£1.26**	**Nil**	£1.16	-	-
Number of shares	**115,282**	**314,830**	**11,798**	58,621	-	-
Weighted average expected remaining life (years)	**4.2**	**2.4**	**2.7**	4.7	-	-

The Black-Scholes option model is used to calculate the fair value of the options and the amount to be expensed. No performance conditions apply to any of the share option schemes. The inputs into the Black-Scholes model, expressed as weighted averages for options granted during the year are as follows:

	2010			2009		
	CSOP	SAYE	Nil price share options	CSOP	SAYE	Nil price share options
Share price at grant date	**£1.64**	**£1.40**	**£1.64**	£1.16	-	-
Option exercise price	**£1.64**	**£1.26**	**Nil**	£1.16	-	-
Expected volatility	**24%**	**24%**	**24%**	24%	-	-
Option life	**5 years**	**3 years**	**3 years**	5 years	-	-
Risk free interest rate	**2.4%**	**2.4%**	**2.4%**	4.8%	-	-
Fair value	**£0.43**	**£0.34**	**£1.64**	£0.36	-	-

Expected volatility was determined by calculating the historical volatility of the group's share price over the previous 5 years. The option life is based on based on options being exercised in accordance with usual patterns. Options are forfeited if the employee leaves the group before options vest. For the CSOP scheme, the options can be exercised up to 5 years after the vesting date, and with the SAYE scheme, this period is 6 months. The risk free interest rate is based on zero coupon UK Government Bonds on a term consistent with the vesting period. For the nil price share options, dividends will be reinvested into additional shares in the plan.

The group recognised total expenses of £29,000 (2009: £1,000) related to equity settled share-based payment transactions in the year.

Share Incentive Plan

The company also runs an approved Share Incentive Plan in which eligible employees can buy Partnership Shares at mid-market price on the date of the grant. The shares are held in the employee benefits trust for a 5-year period. The number of shares held in trust of this plan at 31 March 2010 was 121,411 (2009: 104,490).

24. Own shares

	£'000
At 1 April 2008	
Cost	429
Additions	187
Disposals	(313)
Capital loss on conversion of ESOP shares	(164)
At 31 March 2009	139
Additions	64
At 31 March 2010	**203**

The investment in own shares represents 132,853 25p Ordinary shares (2009: 86,376 25p Ordinary shares) held on behalf of the James Latham plc Employee Benefits Trust, a discretionary trust, this represents 0.66% (2009: 0.42%) of the issued share capital. The maximum number of shares held during the year was 132,853 (0.66%). Dividends have been waived and all income and expenditure of the trust has been dealt with through the group's income statement. None of these shares have been allocated to employees.

At 31 March 2010 919,200 (2009: 919,200) 25p Ordinary shares were held by the Company as Treasury Shares. These shares will be either used to meet existing employee share option plan requirements or will be cancelled. Movements in the cost of treasury shares were as follows:

	2010 £'000	2009 £'000
At 1 April	**1,795**	996
Purchases	**-**	799
At 31 March	**1,795**	1,795

25. Cash generated from operations

	2010 £'000	2009 £'000
Profit before tax	**5,587**	4,172
Adjustment for finance income and expense	**850**	(360)
Depreciation and impairment	**706**	639
Loss/(profit) on disposal of property, plant and equipment	**5**	(12)
(Increase)/decrease in inventories	**(2,959)**	1,930
(Increase)/decrease in receivables	**(2,355)**	2,311
Increase/(decrease) in payables	**1,988**	(3,508)
Payments to the pension scheme in excess of the charge to profits	**(1,129)**	(17)
Share-based payments non cash amounts	**29**	(1)
Decrease in currency financial derivative	**35**	2
Decrease in provisions	**-**	(159)
Cash generated from operations	**2,757**	4,997

26. Leasing commitments

Future aggregate minimum payments under various operating lease contracts for vehicles, plant and property payable by the group are as follows:

	2010 £'000	2009 £'000
Plant and machinery		
No later than one year	**966**	1,152
Later than one year but no later than five years	**1,759**	2,488
	2,725	3,640
Property:		
No later than one year	**595**	595
Later than one year but no later than five years	**2,383**	2,383
Later than five years	**5,022**	5,618
	8,000	8,596

The average period of leasing for vehicles and plant is four to five years.

27. Related party transactions

The company has a related party relationship with its subsidiaries and with its directors. Transactions between group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The remuneration of the key management of the group, who are the company's directors, is set out below.

	2010 £'000	2009 £'000
Salaries and other short-term employee benefits	**639**	575
Social security costs	**72**	64
Share-based payments	**5**	-
	716	639

Emoluments for the highest paid director totalled £200,000 (2009: £177,000). Further information is given in the Directors Remuneration Report on page 18.

At 31 March 2010, the group's defined benefit pension scheme owed James Latham plc £8,000 (2009: £136,000) in the form of a short term loan.

28. Capital commitments

At 31 March 2010, there were capital commitments contracted for but not provided in the accounts of £300,000 (2009: £260,000).

29. Financial instruments

The group's activities expose the group to a number of risks including market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The group manages these risks through an effective risk management programme. Further details are set out in the Financial Review on page 8.

Maturity analysis
The table below analyses the group's financial liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on period outstanding at the balance sheet date up to the contractual maturity date.

	Less than 6 months £'000	Between 6 months and 1 year £'000	Between 1 and 5 years £'000	More than 5 years £'000	Total £'000
2010					
Finance leases	11	10	11	-	32
Trade payables	12,472	-	-	-	12,472
Accruals	1,327	-	-	-	1,327
Other payables	702	100	-	-	802
Cumulative preference shares of £1 each	-	-	-	987	987
Total	14,512	110	11	987	15,620
2009					
Finance leases	11	10	33	-	54
Trade payables	11,793	-	-	-	11,793
Accruals	1,178	-	-	-	1,178
Other payables	193	100	-	-	293
Cumulative preference shares of £1 each	-	-	-	987	987
Total	13,175	110	33	987	14,305

Foreign currency risk
Approximately 35% of the group's purchases are denominated in foreign currencies, principally the US dollar and the Euro. Forward contracts are used where we have agreed exchange rates with our customers and we also use other currency derivatives to hedge our short term exposure on a weakening sterling. However, no more than 25% of the currency requirements will be covered by forward contracts or other currency derivatives.

Whilst purchases in foreign currencies are a significant figure, fluctuations in currency exchange rates do not have a major impact on the results. As the group trades wholly in the UK, the market price of our products tends to fluctuate in line with spot prices.

Included in group cash and cash equivalents at 31 March 2010 was £75,000 in US Dollars (2009: £261,000), £174 in Canadian Dollars (2009: £157) and £15,000 in Euros (2009: £30,000), at variable interest rates.

Based on the balance sheet value of cash and cash equivalents, as shown above, a 10% change in the currency exchange rate would lead to an increase or decrease in income and equity of £9,000 (2009: £29,000).

Interest rate risk
The group's interest rate exposure arises mainly from its interest bearing deposits. Deposits held at floating rates expose the entity to cash flow risk whilst deposits held at fixed rate expose the entity to fair value risk. £1,000,000 of surplus cash has been invested for one year at a rate of 2.2%, further surplus cash is invested for no longer than three month fixed rate deposit.

The table below shows the group's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

29. Financial instruments *(continued)*

Financial assets

2010	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	5,010	5,535	-	10,545
Trade and other receivables	-	-	22,799	22,799
	5,010	5,535	22,799	33,344

2009	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	2,522	8,196	-	10,718
Trade and other receivables	-	-	20,430	20,430
	2,522	8,196	20,430	31,148

Financial liabilities

2010	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Trade payables	-	-	12,472	12,472
Accruals	-	-	1,327	1,327
Other payables	-	-	905	905
Obligations under finance lease	32	-	-	32
	32	-	14,704	14,736

2009	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Trade payables	-	-	11,793	11,793
Accruals	-	-	1,178	1,178
Other payables	-	-	410	410
Obligations under finance lease	54	-	-	54
	54	-	13,381	13,435

Interest rate risk is limited to the cash and cash equivalents.

Based on the balance sheet value of cash and cash equivalents, as shown above, a 1% change in interest base rates would lead to an increase or decrease in income and equity of £105,450 (2009: £107,180).

Credit risk exposure
Credit risk arises on the financial asset investments, trade receivables and cash and cash equivalents. Credit exposure is managed on a group basis and appropriate credit limits are set for each customer taking into account credit reports received from outside agencies, and previous credit history. Credit insurance is taken out to cover approved individual debtors with balances over £40,000. Where limits are required above £40,000 that cannot be backed by insurance, a sub-committee of the board will review reports on the customer, and agree additional limits if appropriate. Bad debts have decreased to 0.31% of sales this year, compared with our target of 0.6%. The carrying amount of financial assets recorded in the accounts, which is net of impairment losses, represents the group's maximum exposure to credit risk.

Liquidity risk
The group closely monitors its cash position to ensure that it has sufficient funds to meet the obligations of the group as they fall due. Short term bank deposits are executed only with organisations with a rating of at least A- from the major rating agencies.

Capital management
The group manages its capital risk by ensuring that its capital, including share capital, retained earnings, investments in own shares, is sufficient to support the ongoing needs of the business, and is organised to try and minimise the cost of capital over the medium term. The group's current strategy is to maintain sufficient cash balances to satisfy ongoing needs.

Finance income
An analysis of finance income is set out in note 6 to the consolidated accounts.

Finance costs
An analysis of finance costs is set out in note 7 to the consolidated accounts.

Financial assets recognised in the balance sheet **2010**	Loans and receivables	Fair value through profit or loss	Total
Current assets	**£'000**	**£'000**	**£'000**
Trade receivables	22,123	-	22,123
Other receivables	676	-	676
Cash and cash equivalents	10,545	-	10,545
Total current assets	**33,344**	**-**	**33,344**

	Other financial liabilities	Fair value through profit or loss	Total
	£'000	**£'000**	**£'000**
Current liabilities			
Trade payables	12,472	-	12,472
Other payables	802	-	802
Accruals	1,327	-	1,327
Obligations due under finance lease	21	-	21
Total current liabilities	**14,622**	**-**	**14,622**
Non-current liabilities			
Obligations due under finance lease	11	-	11
Other payables	103	-	103
Total non-current liabilities	**114**	**-**	**114**

29. Financial assets *(continued)*

Financial assets recognised in the balance sheet *(continued)*

2009

	Loans and receivables	Fair value through profit or loss	Total
	£'000	**£'000**	**£'000**
Current assets			
Trade receivables	19,830	-	19,830
Other receivables	565	-	565
Derivative financial instruments	-	35	35
Cash and cash equivalents	10,718	-	10,718
Total current assets	**31,113**	**35**	**31,148**

	Other financial liabilities	Fair value through profit or loss	Total
	£'000	**£'000**	**£'000**
Current liabilities			
Trade payables	11,793	-	11,793
Other payables	293	-	293
Accruals	1,178	-	1,178
Obligations due under finance lease	21	-	21
Total current liabilities	**13,285**	**-**	**13,285**
Non-current liabilities			
Obligations due under finance lease	33	-	33
Other payables	117	-	117
Total non-current liabilities	**150**	**-**	**150**

Company Balance Sheet

Company number: 65619

At 31 March 2010

£'000s	Notes	2010	2010	2009	2009
Fixed assets					
Tangible fixed assets	2		**88**		117
Investments	3		**14,613**		14,613
			14,701		14,730
Current assets					
Debtors: amounts falling due within one year	4.1	**3,717**		4,276	
Cash at bank and in hand		**10,655**		12,077	
		14,372		16,353	
Creditors: amounts falling due within one year	5	**(600)**		(517)	
Net current assets			**13,772**		15,836
Total assets less current liabilities			**28,473**		30,566
Creditors: amounts falling due after more than one year	6		**(1,538)**		(1,591)
Total net assets			**26,935**		28,975
Represented by:					
Capital and reserves					
Called up share capital	8		**5,040**		5,040
Investment in own shares	9		**(203)**		(139)
Share-based payment reserve	10		**30**		1
Profit and loss account	10		**22,068**		24,073
Total equity attributable to equity shareholders of the company			**26,935**		28,975

These accounts were approved and authorised for issue by the Board of Directors on 5 July 2010 and signed on its behalf by:

P.D.L. Latham

} Directors

D.A. Dunmow

The notes on pages 52 to 57 form part of these accounts.

1. Principal accounting policies

The parent company accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom (UK GAAP). A summary of the company accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The accounts have been prepared under the historical cost convention.

The company does not present its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The company profit is disclosed in note 11 to the company accounts.

(b) Fixed assets

Fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost or valuation over the estimated useful lives of the assets on a straight line basis, as follows:

Plant and machinery	4 to 20 years

(c) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in future have occurred at the balance sheet date. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that they will be recoverable against suitable taxable profits in the future.

Discounting has been applied using appropriate post-tax discount rates.

(d) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the profit and loss account in the year in which they fall due, except where provision has been made for future rents on unoccupied properties.

(e) Pension scheme costs

The James Latham Plc defined benefit pension scheme is a multi-employer scheme due to the historic complexities of the group structure and thus no separate actuarial information is available in respect of the employees of the parent company. Full details of the basis of calculation of the net pension liability disclosed in the group balance sheet at 31 March 2010, and of the amounts charged/credited to the group income statement and group equity are set out in note 19 to the IFRS accounts. In the company accounts, contributions to the defined benefit scheme have been charged to the profit and loss account as incurred.

Pension payments made into the group's stakeholder scheme are charged to the profit and loss account as they arise.

(f) Share-based payments

The accounting for share-based payments mirrors that of the group's accounting policy under IFRS2 as detailed on page 29. Details of the share-based payments are set out in note 23 to the group accounts.

(g) Investments

Fixed asset investments in subsidiaries are shown at cost less provision for impairment. The carrying values of fixed asset investments are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the carrying value is written down to its estimated recoverable amount.

(i) Treasury shares

Treasury shares are valued on a cost basis. Any treasury share balance at the balance sheet date have been transferred as a deduction to accumulated profits.

(j) Employee Share Ownership Trust (ESOP)

Own shares represent the company's shares that are held by the company sponsored ESOP trust in relation to the group's employees share scheme. Own shares are deducted at cost in arriving at shareholders' equity and gains and losses on their sale or transfer are recognised directly in equity. ESOP is treated separately and consolidated in the company accounts.

(k) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(l) Bank borrowings

Interest-bearing bank loans are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemption, are recognised in the profit and loss account over the term of the instrument using an effective rate of interest.

2. Tangible fixed assets

	Plant, equipment and vehicles
	£'000
Cost:	
At 1 April 2009	377
Additions	14
Disposals	(16)
At 31 March 2010	**375**
Depreciation:	
At 1 April 2009	260
Disposals	(16)
Provision for the year	43
At 31 March 2010	**287**
Net book value	
At 31 March 2010	**88**
At 31 March 2009	**117**

3. Fixed asset investments

	Subsidiary undertakings
	£'000
Shares:	
At 1 April 2009 and 31 March 2010	9,613
Loans:	
At 1 April 2009 and 31 March 2010	5,000
Total at 31 March 2010	**14,613**
At 31 March 2009	14,613

The loan to Lathams Limited is repayable on demand and interest is charged at a rate of 1.25% above base rate per annum. Details of subsidiary companies are given in note 12 to the Company accounts.

4. Debtors: amounts falling due within one year

	2010	2009
	£'000	£'000
Trade debtors	**12**	10
Amounts owed by subsidiary undertakings	**2,713**	3,676
Other debtors	**9**	137
Corporation tax	**905**	374
Deferred taxation (note 7)	**30**	27
Prepayments and accrued income	**48**	52
	3,717	4,276

5. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	**36**	68
Other taxation and social security	**306**	263
Other creditors	**192**	118
Accruals and deferred income	**66**	68
	600	517

6. Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Other creditors	**103**	117
Accruals and deferred income	**448**	487
8% Cumulative Preference Shares of £1 each (note 8)	**987**	987
	1,538	1,591

Bank loans and overdrafts are secured by fixed and floating charges over the assets of the company and its subsidiaries. Overdrafts of subsidiary companies amounting to £202,000 (2009: £1,652,000) are also secured on the assets of the company.

7. Deferred taxation

Included in debtors (note 4) is a deferred taxation asset of £30,000 (2009: £27,000)

	2010 £'000	2009 £'000
The deferred taxation provision comprises:		
Accelerated capital allowances	**-**	5
Timing differences on pension payments	**(30)**	(32)
Undiscounted provision for deferred tax	**(30)**	(27)
Discount	**-**	-
Discounted provision for deferred tax	**(30)**	(27)

Deferred taxation is provided at a rate of 28% (2009: 28%).
Some or all of the deferred taxation debtor may be recoverable after more than one year.

8. Share capital

Details of the share capital of the company are set out in note 22 to the consolidated accounts.

9. Investment in own shares

	£'000
Shares:	
At 1 April 2009	139
Movements during the year:	
Additions	64
Total at 31 March 2010	**203**
Total at 31 March 2009	139

The investment in own shares represents 132,853 25p Ordinary shares (2009: 86,376 25p Ordinary shares) held on behalf of the James Latham plc Employee Benefits Trust, a discretionary trust. Dividends have been waived and all income and expenditure of the trust has been dealt with through the group's income statement. None of these shares have been allocated to employees.

10. Reserves

	Profit and loss account £'000	Share-based payment reserve £'000	Total £'000
At April 2009	24,073	1	24,074
Loss for the year	(715)	-	(715)
Dividends	(1,290)	-	(1,290)
Share-based payment expense	-	29	29
At 31 March 2010	**22,068**	**30**	**22,098**

At 31 March 2010 919,200 (2009: 919,200) 25p Ordinary shares were held by the company as Treasury Shares. These shares will be either used to meet existing employee share option plan requirements or will be cancelled.

11. Reconciliation of movements in shareholders' funds

	2010 £'000
Loss for the financial year	**(715)**
Dividends	**(1,290)**
	(2,005)
Change in investment in ESOP shares	**(64)**
Movement in share based payment reserve	**29**
Reduction in shareholders' funds	**(2,040)**
Opening shareholders' funds	**28,975**
Closing shareholders' funds	**26,935**

12. Principal subsidiary undertakings

Name	Country of incorporation and operation	Class of shares	Percentage of ownership	Principal activity
Lathams Limited	England	£1 Ordinary	100%	Importing and distribution of timber and panel products
James Latham Trustee Limited	England	£1 Ordinary	100%	Corporate Trustee Company
Baüsen Limited	England	£1 Ordinary	100%	Dormant
James Latham (Midland and Western) Limited	England	£1 Ordinary	100%	Dormant
Advanced Technical Panels Limited	England	£1 Ordinary	100%	Dormant
Latham Timber Centres (Bridgwater) Limited	England	£1 Ordinary	100%	Dormant
James Latham (Warehousing) Limited	England	£1 Ordinary	100%	Dormant

13. Leasing commitments

Leasing commitments under various operating lease contracts for vehicles, plant and property payable by the company.

	2010 £'000	2009 £'000
Vehicles and plant:		
Leases expiring within one year	**1**	-
Leases expiring within two to five years	**38**	43
	39	43
Property:		
Leases expiring after more than five years	**87**	87
	87	87

14. Related party transactions

At 31 March 2010, the group's defined benefit pension scheme owed James Latham plc £8,000 (2009: £136,000) in the form of a short term loan. The company has taken advantage of the exemption in FRS8 Related Parties not to disclose transactions with the active subsidiary company.

15. Financial instruments

Risk management disclosures as applicable to the group as a whole are set out in note 29 to the consolidated financial statements.

The company's financial instruments comprise cash, bank loans, other creditors and various items arising directly from its operations, such as trade debtors and trade creditors. Trade debtors, trade creditors, group balances and other items arising directly from operations have been excluded from the following disclosures. Details of the repayment profile of bank loans and other creditors, together with applicable interest rates, are given in note 6. The main purpose of these financial instruments is to provide working capital and to assist with the purchase of capital assets for the company.

The company's policy is to obtain the highest rate of return on its cash balances, subject to having sufficient resources to manage the business on a day to day basis and not exposing the company to unnecessary risk of default.

The company's cash at bank is all in sterling accounts.

The total borrowing facilities available to the company (including undrawn borrowings) at 31 March 2010 were:-

	£
Repayable on demand	2,750,000

The carrying value of all financial instruments is not materially different from their fair value.

16. Dividends

	2010		2009	
	£'000	**£'000**	£'000	£'000
Ordinary dividends:				
Final 4.25p per share paid 28 August 2009 (2008: 6.1p)	**813**		1,179	
Interim 2.5p per share paid 22 January 2010 (2009: 2.0p)	**477**		383	
		1,290		1,562

The Directors propose a final dividend for 2010 of 5.25p per share, that, subject to approval by the shareholders will be paid on 27 August 2010 to shareholders on the register on 6 August 2010.

Based on the number of shares currently in issue, the final dividend for 2010 is expected to absorb £1,003,000.

Notice of Annual General Meeting

Notice is hereby given that the one hundred and eleventh Annual General Meeting of the Company will be held at Unit 3, Swallow Park, Finway Road, Hemel Hempstead, Hertfordshire, HP2 7QU on Thursday 25 August 2010 at 12.30pm for the following purposes:

Ordinary business

1. To receive and adopt the Directors' Report and Accounts for the year ended 31 March 2010 together with the Independent Auditors' report thereon.

2. To declare the final dividend recommended by the directors on the ordinary shares of the Company.

3. To re-elect Pippa Latham as a director, who retires by rotation.

4. To re-elect Meryl Bushell as a director, who retires by rotation.

5. To re-elect Nick Latham as a director, who retires by rotation.

6. To re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the company, at a remuneration to be determined by the directors.

Special business

7. Directors authority to allot shares: To consider, and if thought fit, pass the following resolution as an Ordinary Resolution: "THAT in substitution for all existing authorities, to the extent unused, the directors be and they are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot equity securities up to an aggregate nominal amount of £1,680,000 provided that this authority shall expire at the earlier of the conclusion of the Company's next Annual General Meeting or 15 months from the date of the passing of this resolution and that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offers or agreements notwithstanding that the authority conferred has expired. The expression 'equity securities' and 'allotment' shall bear the same meanings respectively given to the same in Section 560 of the Companies Act 2006."

8. Disapplication of pre-emption rights: To consider, and if thought fit, pass the following resolution as a Special Resolution: "THAT subject to the passing of the previous Resolution 7 pursuant to section 571 of the Companies Act 2006, section 561 of the Companies Act 2006 shall not apply to any allotment or agreement to allot equity securities pursuant to the authority conferred by Resolution 7:

(a) this power shall be limited to:

(i) the allotment of equity securities in connection with or subject to an offer or invitation, open for acceptance for a period fixed by the directors, to the holders of Ordinary Shares on the register on a fixed record date in proportion (as nearly as maybe) to their respective holdings or in accordance with the rights attached thereto (including equity securities which, in connection with such offer or invitation, are the subject of such exclusions or other arrangements as the directors may deem necessary or expedient to deal with the fractional entitlements which would otherwise arise or with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory or otherwise how so ever); and

(ii) other than pursuant to paragraph (a) (i) of this resolution, the allotments of equity securities for cash up to an aggregate nominal amount of £252,000; and

(b) this power shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months from the date after passing of this Resolution except that the directors may allot equity securities under this power after that date to satisfy an offer or agreement made before this power expired."

9. Authority of the Company to purchase its own shares: To consider and, if thought fit, pass the following resolution as a Special Resolution: "THAT the company be and is generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693 (4) of the Companies Act 2006) of its Ordinary Shares of 25p each provided that (a) the maximum aggregate number of Ordinary Shares which may be purchased is 2,016,000 representing 10% of the issued share capital of the Company, (b) the price at which Ordinary Shares may be purchased shall not be more than 105% of the average of the closing middle market price for the Ordinary Shares as derived from the AIM section of the London Stock Exchange Daily Official List for the five business days preceding the date of purchase and shall not be less than 25p per Ordinary Share (in both cases exclusive of expenses), and (c) this power shall expire at the earlier of the conclusion of the next Annual General Meeting of the company or 15 months from the date of the passing of this resolution."

By Order of the Board
D.A. Dunmow
Company Secretary

Registered Office: Unit 3, Swallow Park, Finway Road
Hemel Hempstead, Hertfordshire HP2 7QU

5 July 2010

Notes:
The Report and Accounts are sent to all members of the Company.

Holders of preference shares are not entitled to be present, either personally or by proxy, or to vote at any general meeting so long as the dividends on such preference shares are regularly paid or unless a resolution is to be proposed for winding up the Company, reducing its capital or selling its undertaking or adversely affecting the rights of the holders of preference shares.

A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

A proxy form is enclosed. To be valid it must be lodged with the Company's Registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 48 hours before the fixed time for the Meeting.

Copies of directors' contracts of service and letters of appointment, the register of interests of directors, the Company's memorandum of association and the articles of association will be available for inspection at the Registered Office during normal business hours from the date of the above notice until the close of the meeting.

In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, only those members eligible to vote and entered on the Company's register of members as at 12.30pm on Monday 23 August 2010 are entitled to attend and vote at the meeting or, if the meeting is adjourned, shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the adjourned meeting.

Share dealing service for shareholders

We continue to operate a telephone share dealing service with our registrar, Computershare Investor Services PLC, which provides shareholders with a simple way of buying or selling James Latham plc ordinary shares on the London Stock Exchange. The commission is just 1%, subject to a minimum charge of £25. In addition stamp duty, currently 0.5% is payable on purchases. There are no forms to complete and the share price at which you deal will generally be confirmed to you whilst you are still on the telephone. The service is available from 8am to 4.30pm Monday to Friday excluding bank holidays on telephone number 0870 703 0084. Please ensure you have your Shareholder Reference Number (SRN) ready when making the call. The SRN appears on your share certificate. In addition, an internet share dealing service is available by logging in to your account on www-uk.computershare.com/investor. The fee for this service will be 0.5% of the value of each sale or purchase of shares subject to a minimum of £15. There are no additional charges for limit orders (available for sales only). Stamp duty, currently 0.5%, is payable on all purchases. Detailed terms and conditions are available on request, please phone 0870 707 1093.

This is not a recommendation to buy, sell or hold shares in James Latham PLC. If you are unsure of what action to take contact a financial adviser authorised under the Financial Services and Markets Act 2000. Please note that share values may go down as well as up, which may result in you receiving less than what you originally invested.

In so far as this statement constitutes a financial promotion for the share dealing service provided by Computershare Investor Services it has been approved by Computershare Investor Services PLC for the purpose of Section 21(2)(b) of the Financial Services and Markets Act 2000 only. Computershare Investor Services PLC is regulated by the Financial Services Authority.

Where this has been received in a country where the provision of such a service would be contrary to local laws or regulations, this should be treated as information only.

James Latham Importing and Distribution companies

Purfleet serves timber customers across the Thurrock, Hemel Hempstead and part of the Fareham panels sales areas.

ISO 9001:2000

BM TRADA CERTIFICATION

UKAS QUALITY MANAGEMENT 012

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JAMES latham
THE NATURAL CHOICE

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